

South Africa: end of a dream

Section two, cover story

Exclusive: Ucas vacancy lists

36-page supplement



THE INDEPENDENT

3,077

THURSDAY 29 AUGUST 1996

WEATHER: Cool and showery with some sun

40p (R45P)

Paramilitaries tell 'King Rat': Leave Ulster or die

DAVID McKITTRICK
Ireland correspondent

Ominous stirrings in the loyalist paramilitary underworld came to a head yesterday when all the major organisations combined to order a leading loyalist out of Northern Ireland.

Billy Wright, a Portadown man who has become the leading public symbol of loyalist militancy, was told that he had 72 hours, from midnight last

night, to leave Northern Ireland. A statement from the "Combined Loyalist Military Command," which represents the Ulster Volunteer Force, Ulster Defence Association and Red Hand Commandos, warned that failure to comply with this "directive" would result in "summary justice". This clearly amounts to a death threat.

A similar threat was issued against Alec Kerr, a south Belfast figure who was, until

recent years, associated with the UDA. The statement warned that Mr Kerr, presently in custody awaiting trial on a terrorist charge, should be kept in isolation and on his release should leave the country.

Mr Wright has been a leading loyalist figure for many years, serving a prison sentence for UVF-linked activities. He is believed to have been questioned by police on a number of occasions about UVF murders

and other violence in the Portadown area. Last month, the Ulster Unionist leader, David Trimble, was criticised for privately meeting him during the Drumcree parade stand-off.

Several weeks ago the UVF announced that it was expelling its mid-Ulster unit, with which Mr Wright had been associated. That made him a marked man and a senior security source remarked: "It's really just a matter of who gets to him first - the UVF, the IRA or us. He's

clever and cunning ... but doesn't really have widespread support."

Police last week made arrests during what appears to have been an attempt to stage a loyalist display of arms. The UVF seems to have interpreted this as an act of defiance against its authority, leading to the move against Mr Wright and Mr Kerr.

Before the IRA ceasefire of August 1994, Mr Wright survived a number of IRA at-

tempts to kill him and said in a newspaper interview: "I am married. I have kids, but morally I have to lay down my life. If I was shot dead in the morning, I would laugh in my grave."

Leaders of the four main churches in Northern Ireland yesterday condemned reports that Catholics in a number of areas are boycotting Protestant businesses in the wake of the Orange Order marching controversies.

Wright: 72 hours to get out



Blair is a dictator, Labour MP says

JOHN RENTOUL
Political Correspondent

Tony Blair's modernisation of the Labour Party comes under withering attack today from a leading backbench MP, who describes himself as a "squashed-hedgehog" on the road to the manifesto.

As the Labour leader today sets out to sell his message to the country, Austin Mitchell, the Euro-sceptic MP for Grimsby, said Mr Blair was paying "lip service" to the idea that ordinary party members have any power. He says Labour has no answer to "how our policy processes differ from Kim Il Sung's".

This latest broadside against Mr Blair's leadership follows similar criticism by John Prescott, the deputy leader, in an interview with *The Independent*, and from frontbench spokeswoman Clare Short.

Mr Blair, with Mr Prescott in tow, today begins a nationwide tour to sell the New Labour draft manifesto "street by street" in order to bypass the London media and its obsession with "Westminster gossip".

But Mr Mitchell, writing in tomorrow's *New Statesman*, gives the tour a sour send-off, saying: "We pretend our work is important. Tony pretends to listen. Then he gets on with his real job of putting forward what he wants in our name."

Writing of his experience of selling the manifesto, *New Life for Britain*, to party members, Mr Mitchell says: "The new document isn't intended for you as party members. Your role is to endorse it, preferably with acclamation. This isn't the Labour Party as we know it. Our leaders are playing a different game from us. It's a power game in which different rules apply."

After the Advertising Stan-

dards Authority broke new ground yesterday by banning a political advertisement - ruling that the Tories should not use the controversial image of Tony Blair with "demon eyes" again - Mr Mitchell echoes the Tories' demonising imagery. He says the party has struck a "Faustian compact" with Mr Blair.

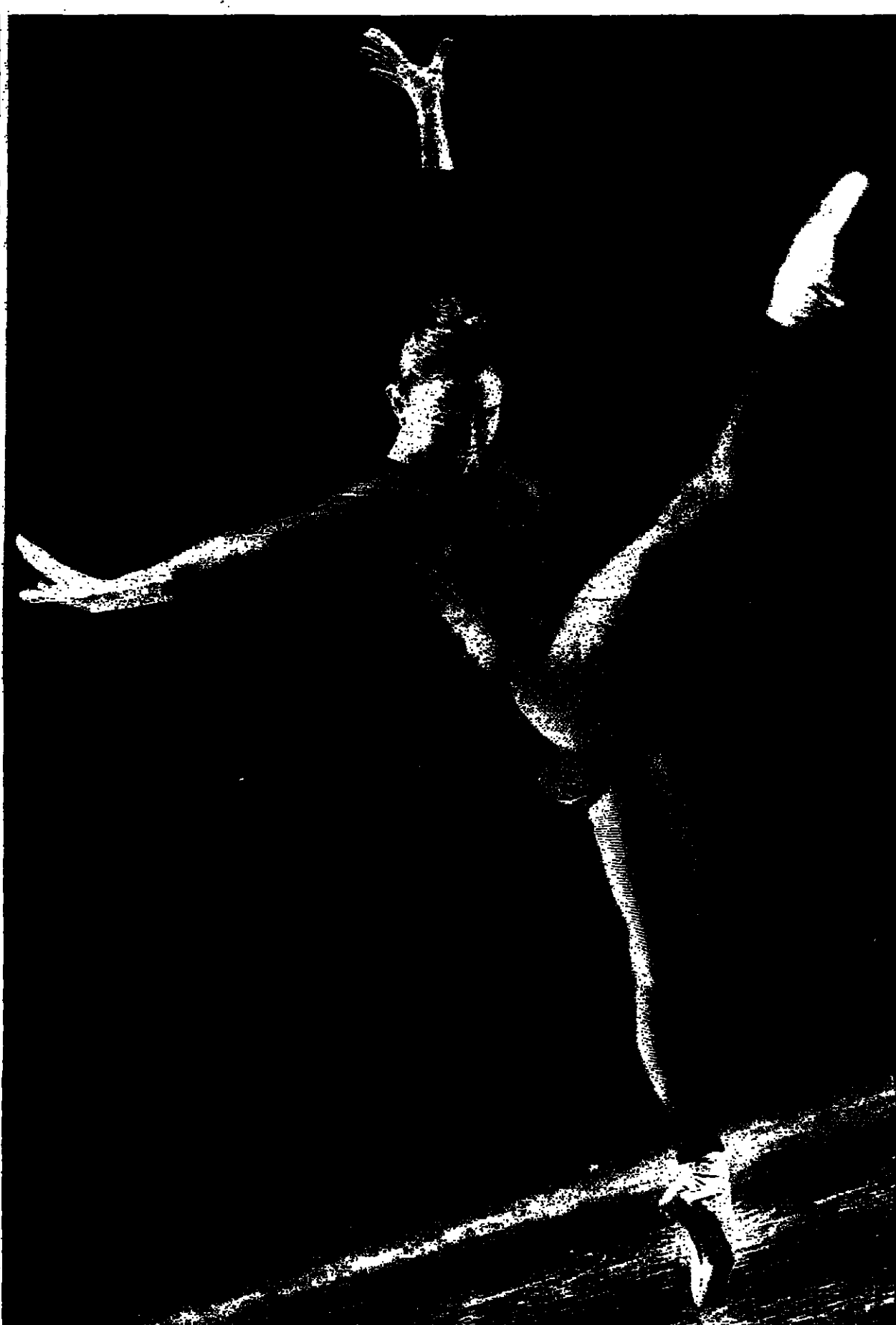
"Tony'll win for us. In return we've put our souls, our party and our dreams in his hands. They're not Labour hands. His instincts aren't ours," he writes. But he goes on: "Yet he is in better tune with the new Britain than we are, and he's a winner. It's a pretty good bargain for a party that blew it a decade ago."

The Labour leader vigorously defended his changes to the party in his first interview since returning from holiday. Speaking on *Channel 4 News*, Mr Blair said: "Whenever you embark on a process of change and modernisation, of course there will always be dissent from that."

And he dismissed the criticisms about the influence of the party's "spin doctors", saying they were ignoring the real issues. "One of the things that I think is absolutely essential is that we go beyond all this trivia and the flotsam and jetsam of little internal party disputes and we focus on the fundamentals, the issues that actually matter to the British people."

Meanwhile, the Advertising Standards Authority, despite deciding that "most readers" would not see the Tory "demon" image of Mr Blair as "satanic", said it breached a new rule brought in last year because it depicted the Labour leader as "sinister and dishonest".

Michael Trend, the deputy Tory chairman, said that the party had already decided not to use the image again.



Cynthia Giannini of Chicago's Joffrey Ballet performs 'Billboards', which opened last night at the Royal Festival Hall. Set to the music of Prince, the work has been massively successful in the US. Photograph: Laurie Lewis

Exam board errors cause college chaos

FRAN ABRAMS
Education Correspondent

Thousands of students taking vocational A-levels have still not had their university places confirmed, it emerged last night. Administrative errors and hold-ups by both examination boards and schools have contributed to the problem.

One board sent out 850 students' results containing mistakes and had to fax every university in the country to withdraw them again.

Almost 4,700 candidates, one-quarter of those offered university places with General National Vocational Qualifications (GNVQs), have not had official notification of their results. Universities have been forced to hold students' places open even though they may have failed to complete their courses.

Last night, one admissions tutor said that the future of the new GNVQs could be endangered by the problems. Students looking for places through the clearing system could not compete with A-level candidates because they could not prove their results, he said. And universities and colleges could not free up spare places for other candidates because they did not know whether GNVQ stu-

dents were going to take them up or not.

Cajitín D'Silva, projects manager in charge of GNVQ admissions for Anglia Polytechnic University, said he planned to complain. As numbers taking the exams increased the problems would get worse, he added.

"We feel all the hard work done by all those involved and even the qualification itself could be jeopardised," he said.

Nigel Scott, operations director of the Royal Society of Arts (RSA) examinations board, said that there had been some teething troubles - the exams were introduced in 1992 but results have been processed through the Universities and Colleges Admissions Service (UCAS) for the first time this year.

Wrong information sent out on half the 1,700 RSA candidates had been withdrawn within hours, Mr Scott said. "In a process as important as this we will obviously review it and discuss how anything that has caused some problems can be made to work better," he said.

A total of 343,991 students have now had places confirmed for this year, 1,900 more than at the same time last year. Full details of places still available through clearing are published with today's *Independent*.

QUICKLY

Hostages speak out
Passengers held hostage on board the hijacked Sudan Airways flight told of their ordeal at the hands of "terrorists" armed with knives, bombs and broken bottles. The hostages claimed they had behaved bravely and threatened to blow up the aircraft when one of them was overpowered. Page 2

BSE danger revealed
One in 50 cows used for food in the past 10 years was infected with BSE, according to a new British study. The research cannot show if recent cases of Creutzfeldt-Jakob Disease, were caused by infected food, but gives an analysis of the scale of the problem. Page 4

BBC political drama
The BBC was embroiled in a political row last night after it announced two new dramas which appeared to be critical of New Labour. The corporation has faced suggestions that a new reason of programmes may "betray" Britain's "black community". Page 5

What now for Charles?

By Paul Vallely

The clerk with the rubber stamp at the Registry Department of Somerset House yesterday did more than make absolute the decree proclaiming the divorce of the Prince and Princess of Wales. His action gave official imprimatur to a new phase of deliberation over the future of the British monarchy.

The attention of the photographers may have been upon Diana, Princess of Wales, as she will henceforth be styled. But though the royal divorce will undoubtedly remain meat for the gossip columns, her ability to make constitutional waves will fade. Attention will now focus on her former husband and the question of whether he will marry again.

Few can doubt that Prince Charles will now tussle with the eventual possibility of finally marrying the woman he is said to have loved for two decades. Secular liberals might be tempted to argue simply that he should be entitled to remarry.

After all, the monarchy has changed dramatically during this century. Why not allow Charles to be a monarch in time with his times?

The problem is that Charles himself does not appear to want to be a monarch in the European style.

It is the Church of England which, unusually, is the cause of the nation not being able to have it both ways. When the sovereign dies the Privy Council meets to pronounce the heir apparent as successor. But coronation is a religious service in which the king makes solemn vows "in the sight of God". The Church which conducts that consecration also holds that marriage involves similar lifelong vows. Prince Charles, its purists argue, failed to keep the former - so how can he undertake the latter?

The Church of England disapproves of remarriage in

church. If Charles re-marries before the Queen dies, the Archbishop of Canterbury might be faced with the invidious choice of refusing to crown a Queen Camilla or else requesting the disestablishment of the Church.

Church constitutionalists insist that the position of the Sovereign as Supreme Governor of the Church of England is inextricably intertwined with the state and its official church. Plucked out that strand, and the whole knot will unravel by which bishops are appointed by the prime minister in the Sovereign's name, by which bishops sit in the House of Lords, by which there is a priest in every parish and a church for everyone in the land. The Church might then be taken over by rabid evangelicals.

This is all alarmist stuff. Instead, the British genius for compromise should deliver. Per-

haps the Supreme Governorship could be transferred to Lambeth Palace. Perhaps establishment could be remodelled along the lines of the Church of Scotland, which has no Supreme Governor.

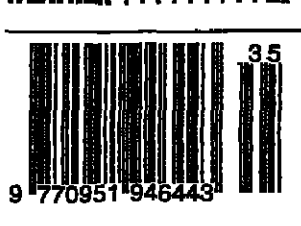
It might well be that disestablishment is exactly what Anglicanism needs to reinvigorate itself in a pluralist society.

Prince Charles is caught between two visions of what a modern monarchy should be: should it be a symbol of temporal and spiritual unity, or a family which epitomises the aspirations of its people?

This then is the stark choice which faces the Prince of Wales. He can remain single until he feels public opinion might come to accept a morganatic marriage or an uncrowned consort. Or he can decide that the time has come for the monarchy and the church to strike out. He should not rush his decision: unlike most others made by the Royal Family in recent years, this one may change our whole public policy.

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news

Airliner ordeal: 'Peaceful' asylum-seekers portrayed as terrorists armed with bombs and knives

Hostages tell of 'brutal' hijack

STEVE BOGGAN,
JASON BENNETTO
and ANTHONY BEVINS

Passengers held hostage on board the hijacked Sudan Airways flight into Britain told yesterday of their ordeal at the hands of "terrorists" armed with knives, bombs and broken bottles.

Contrary to earlier descriptions of the kidnappers as frightened family men fleeing the clutches of Iraqi dictator Saddam Hussein, the hostages said they behaved brutally and threatened to blow up the aircraft when one of them was overpowered.

Security and government

sources last night rejected suggestions that the seven men were related to Saddam or were part of his "inner circle".

Although this leaves open the possibility that they are political opponents, their identities remain a mystery and Iraqi dissidents in Britain yesterday cast doubts on this theory.

A security source said: "At this stage there is nothing to show they are members of any organisation."

The only hostage officially allowed to speak officially said last night that Britain would be wrong to grant political asylum.

Elageed A-Said, 43, a Sudan Airways marketing director, said: "They would not be good

people for Britain to grant asylum to. They have hijacked a civilian plane, with civilian passengers and sick passengers and children."

"It really is something very, very bad and they should be severely punished."

Ahmed Abubakar, 42, another of the 199 passengers, and crew aboard Sudan Airways flight SUD 150 from Khartoum to Amman, said: "At first, it was like a football riot."

"People were hitting each other and fighting with the terrorists. For half an hour we were absolutely terrified until the plane refuelled in Cyprus."

"They had knives and we thought they wanted to kill

people on board. A security man hit one of the captors in the face. One of the others [hijackers] had a knife and he stabbed him."

"There was shouting and screaming. There were women and children there. They were crying and very frightened."

"They took two air stewards hostage and threatened them with knives."

Ahmed Ali, a Sudanese national, said he saw the hijackers produce two "bombs", since described by police as fakes.

Other witnesses described the "bombs" as hand grenades.

Mohammed Sadiq, 35, another of the passengers, said one of the hijackers made an explicit

threat to blow up the aircraft. "It was very terrible," he said. "The hijackers were shouting and one of the passengers succeeded in capturing one of them, but another came from the back of the plane and said that he was carrying a bomb."

"He said: 'I am going to explode it, so release my friend'."

An Arab journalist, Ahmed Gurashi, said some passengers told him that the hijackers' wives had knives hidden the backs of their dresses.

The hostages' comments, extracted despite heavy police pressure for them not to speak to the media, are likely to make the Government's dilemma, over whether to grant them

political asylum even more acute. Home Office sources, however, emphasised that the kidnappers would face criminal charges before any question of asylum was considered.

The seven hijackers were questioned by detectives at Harlow police station in Essex. But police still refused to name them or the six women and two children held under the Immigration Act.

The news blackout suggests that M15 and M16 have advised ministers that it is in the national interest to keep Saddam Hussein guessing.

And leave the public with a mystery that could take some time to untangle.



All in the name: Princess Diana leaving the English Royal Ballet in London yesterday - her first engagement after losing her HRH title in the morning. Photograph: Andrew Burman

A rubber stamp in a pokey office ends royal fairytale

Within hours of the divorce of the Prince and Princess of Wales being made absolute yesterday, the Queen released new rules on changes to royal titles in the event of future divorces.

In letters patent to be published in tomorrow's London Gazette, the Queen made clear that in future divorced wives of male descendants of the sovereign will not be entitled to use the Royal Highness title.

Such provision has not been necessary until this year and although, like the Duchess of York before her, Princess Diana accepted the loss of the Her Royal Highness title, she only did so after often-public debate.

The statement, in what is in effect the official government newspaper of record, was deemed necessary because the issue had never been addressed in previous letters patent on the HRH status. It was intended that yesterday's changes would serve future generations. No one, however, was named in the declaration. It reads: "The Queen has been pleased by Letters Patent under the Great Seal of the Realm dated 21st August 1996 to declare that a former wife (other than a wid-

ow until she shall remarry) of a son of a Sovereign... of a son of a Sovereign and of the eldest son of the Prince of Wales shall not be entitled to hold or enjoy the style, title or attribute of Royal Highness."

Buckingham Palace was anxious to make clear that although the proclamation starts with the historic wording: "The Queen has been pleased... to declare", it was not intended to snub to Princess Diana.

Yesterday the Princess attended her first engagement - at the English National Ballet and still wearing her wedding and engagement rings - as Diana, Princess of Wales, as opposed to Her Royal Highness, the Princess of Wales.

Five hundred miles away, the Prince was with his sons at Balmoral. He had already written to more than 40 of his ex-wife's favourite retailers informing them he would no longer be picking up her bills. Earlier, at precisely 10.27am,

it was certainly different and unusual to the normal course of events," he said.

But Mr West added that the divorce - the 5,029th this year - was really no different to any other. "I don't feel any more sadness in relation to this [divorce] as to any other."

He had no recollection of where he was at the time of the royal wedding and he refused to be drawn on whether he was monarchist or republican. "Yes," he replied coolly, before turning his attention to the rest of the day's divorces.

Major throws down gauntlet to Brussels

ANTHONY BEVINS
Political Editor

John Major yesterday issued a direct challenge to Brussels power, with a macho move that could leave him battling in splendid isolation for a return of British sovereignty in the run-up to the next election.

A Foreign Office source said last night that the formal British proposal - to curb some of the "more intrusive aspects" of European legislation - was expected to get the backing of the Germans.

But Brussels sources said there was no chance of European leaders reopening the "horns' nest" of the power of the European Commission, already defined in the Maastricht treaty. The European Commission, Marcelino Oreja, told the Commons Foreign Affairs Select Committee only last month that "the large ma-

jority of members states" wanted matters to stay as they were.

That would leave Mr Major fighting defiantly in defence of British interests in at least two Dublin summits, in October and December, with more battles to be fought before an expected general election in May.

The immediate Westminster speculation was that Mr Major was "taking on" Brussels in a calculated attempt to unite his own party, and outflank Tony Blair as the "puppet of Brussels".

However, any hope of Tory unity was immediately dashed by Richard Shepherd, one of the diehard Conservative Eurosceptics, who told *The Independent*: "The Government is trimming at the edges. We are the supplicants in all this. We are trying to get back powers that we have already given to the Community... If this is not just a sop, what will we do then? Go into the election with a demand for renegotiation of the

treaties? I fear this is just a ploy to get us through to the election. I'd bet a pound to a penny they won't get anywhere."

Certainly, given its tough tone, it would be remarkable if the challenge was accepted.

Delivered in a low-key Foreign Office statement on a new "Protocol on Subsidiarity", ministers want it discussed as part of the inter-governmental talks on the future of the European Union - the next stage of the Maastricht process.

The protocol - which would become legally binding, if accepted - will get its first airing at a meeting of ministers and officials in Brussels next week. However, London has already made its intentions clear. It wants the new protocol to be used as precision weapon against the European Commission - allowing detailed challenges to be launched in the European Court of Justice.

SIGNIFICANT SHORTS

Seventeen campaigners against open-cast mining in Wales were bound over to keep the peace by magistrates, following a demonstration at the headquarters of Celtic Energy at Aberaman in the Cynon Valley. Four youths and an adult, who all denied breaching the peace, will be dealt with later.

The protesters, described in court as "eco-warriors" scaled the perimeter fence shortly after 6am yesterday. Super-glue was poured into locks and sappings taken from sites around the valley were planted outside the offices. Police made 22 arrests. The group, calling itself Reclaim The Valleys, is demanding a referendum across South Wales before further open-cast mining is allowed. *Tony Heath*

Rhys Callaghan, 16, died from meningitis after learning he had achieved outstanding GCSE results. He complained of flu-like systems the day after he was told he had achieved 10 A-grades. He was admitted to Newcastle upon Tyne General Hospital, where he later died.

His family, who live in Newcastle, have since received precautionary treatment to help protect them from the Group C strain of meningococcal meningitis.

A nature programme showing a mother and baby baboon being torn apart by a crocodile has been censured by the Broadcasting Standards Council. It said the "graphic scenes of suffering" shown by *The Natural World - Last Feast of the Crocodiles* should have been shown later at night. BBC2 broadcast the documentary at 6pm, when young children were watching.

But the BBC claimed the predatory habits of animals featured in many programmes shown before the watershed, adding that the programme was "a record of events on a river in Southern Africa during a severe drought" which "contained moments of sadness as well as more hopeful and surprising incidents".

The controversial video showing graphic footage of NHS operations will remain banned from sale after High Court action by the Department of Health was adjourned yesterday. Lawyers acting for the film's makers said after the private hearing that they needed time to prepare their defence - that the footage of the video, *Everyday Operations*, was in the public interest. Mr Justice Maurice Kay adjourned the hearing until 16 September and extended the temporary injunction, issued last Sunday, banning sale of the film. *Clare Garner*

A company faces prosecution in the wake of a toddler's death, after a garden slide accident. Newcastle upon Tyne City Council confirmed it plans to prosecute John Menzies UK Ltd, parent company of the Early Learning Centre (ELC), which sold the slide.

A spokeswoman said the prosecution was being brought under toy safety regulations and if convicted, the company could be fined up to £5,000. Earlier this year Amy Grievson, three, died in Newcastle's Royal Victoria Infirmary after the accident. She was found hanging and unconscious after her head became trapped between the actual slide and a support strut.

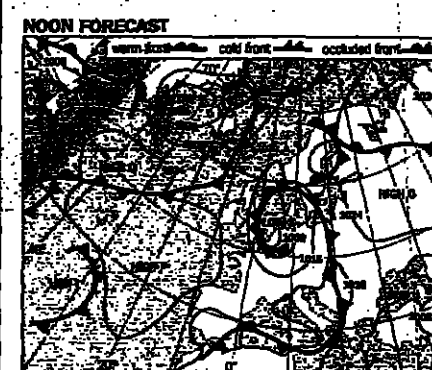
An inquest on five Japanese fishermen who died on board their ship last week found that their deaths were caused by gas poisoning. Cork coroner Cornelius Riordan said the captain of the *Taisei Maru*, the bosun, chief oiler and cook all died in a vain attempt to save the chief engineer, who had been overcome by freon gas while trying to repair the ship's refrigeration system in the engine room. The accident happened during a stand-off between a 30-strong Japanese tuna fishing fleet and the Irish navy, close to the edge of the Irish Republic's 200-mile fishing limit off the coast of Co Galway.

Brian Wilson MP is publisher of the West Highland Free Press, not the 'West Island Free Press', as stated in yesterday's *Independent*.

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Weather forecast



TODAY'S FORECAST: It will be very unpleasant in eastern and south-eastern England with heavy rain, southerly gales and temperatures in the 10s and 20s. In the north and west, rain will be less heavy, but southerly gales will be strong. In the south and west, rain will be less heavy, but southerly gales will be strong. In the south and west, rain will be less heavy, but southerly gales will be strong.

Unusually strong low S is now drifting north and will soon begin to fill channel.				Pressure about 1000 over the low and falling.			
From the West Coast during the night.				From the West Coast during the night.			

WORLD WEATHER			
Temperature, wind velocity, cloudiness, rain, fog, barometric pressure, humidity, air and surface water temperature, wind direction, and state of sky.			
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10

news

600 plant species, 1,500 insects, 20 mammals and 65 birds are looking for someone to save their home



Conservationists hope ministers will protect dwindling hedgerows

NICHOLAS SCHOON
Environment Correspondent

Ministers are expected to launch new protection measures for Britain's dwindling hedgerows next month.

They provide essential shelter and food for a rich variety of wildlife through the seasons, and some are more than 1,000 years old. Yet the latest Government estimate on hedgerow loss, from the early 1990s, was that more than 10,000 miles a year were disappearing due to neglect and grubbing out.

Whitehall is about to start public consultation on draft regulations compelling all landowners to notify their local council before they strip out any hedge. The council will then have 28 days in which to decide whether to refuse permission, on the grounds that the hedge is "important" - particularly historic or rich in plants and animals.

Such measures were first proposed in an environment White Paper six years ago, when Chris Patten was Secretary of State for the Environment. Three secretaries of state later, planning protection for hedgerows is finally coming close to a reality.

Little more than 10 years ago there were still government grants available for removing them in the interests of farm efficiency.

Ancient and species-rich hedgerows are among 14 key wildlife habitats found in

Britain on which the Government and leading wildlife charities have agreed rescue plans. The plans are a follow-up to the Rio Earth Summit in 1992.

"In Britain we've planted more than any other country over the centuries, and they're part of our culture and history," said Robert Wolton, hedgerow expert and enthusiast with English Nature, the Government's wildlife conservation arm. "They're also critical natural capital. Over much of intensively farmed lowland England they form a last refuge for wildlife."

Most go back at least 150 years, and a few are believed to be relict fragments of the vast forests which covered most of Britain until 3,000 years ago - by which time human clearance was already well under way.

The older they are, the more varied are their shrubs and smaller plants. Some contain species which are associated with ancient woodland, such as the wild service tree and bluebells, and woodland animals such as the dormouse.

In all, more than 600 plant species, 1,500 insects, 65 birds and 20 mammals have been found to use Britain's 280,000 miles of hedgerows. Among this diverse flora and fauna are 13 species which are either in very rapid decline or endangered globally.

Between 1984 and 1990 there was a net loss of nearly one-quarter of Britain's hedgerows. Some were stripped out by



Country heritage: Newly shorn sheep race by a hedgerow in Devon, where fields in Dartmoor are still bounded in traditional fashion (above, left)

Photographs: Tim Cuff

farmers wanting to join fields, making them more convenient for farm machinery and modern livestock methods.

But the majority were destroyed by neglect or mismanagement. The usual method of keeping them tidy is to use a flail cutter which lops off the top growth once a year. Often it is done in the autumn,

scattering and mowing the fruits and nuts which provide food to animals in winter.

The hedge grows back, but only at the top. Most hedge shrubs and trees do not put out fresh sprouts lower down, so the shaded hedge bottom grows into thick wood with large gaps through which livestock can pass.

After a few years it no longer looks like a hedge but a straggling, intermittent line of stunted trees. It no longer works, and there is little reason for the farmer to keep it any more.

Dr Wolton said: "The annual short back and sides has become the new tradition but it's quite unnecessary." He advocates a careful cutting every

three years, and a revival of the neglected art of laying hedges - partly cutting and bending down the living wood to keep the structure thick and sprouting near its base.

The hedges look less tidy, but they will be far more use to wildlife. However, the traditional hedging methods are labour-intensive, which is the

main reason why they have been abandoned.

There are limited government grants to pay for hedge planting and restoration, but these are nowhere near enough to offset the loss due to deliberate destruction, poor management and neglect.

The new regulations, which do not apply in Scotland, should

help. The criteria for what constitutes an "important" hedge will be laid down by government, and they are expected to give protection to roughly one in five hedges.

But ultimately the survival of Britain's hedgerows depends on how many farmers and landowners care about them.

Leading article, page 13

"are you
still
making
pointless
purchases"



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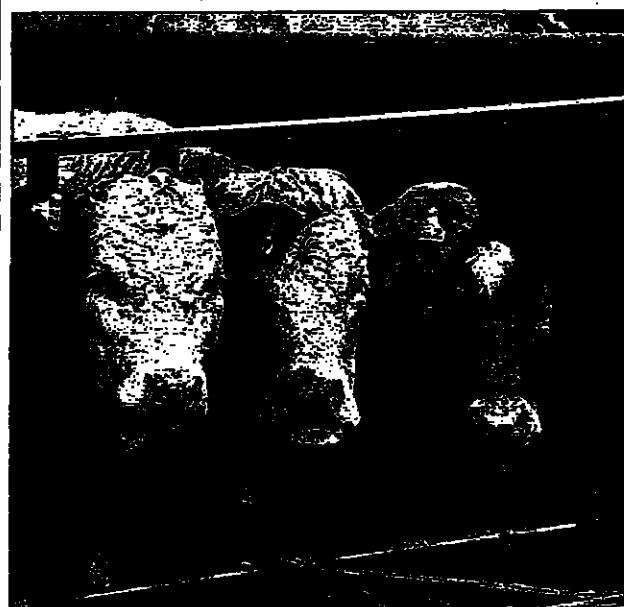
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Cards

One in 50 cows used for human food had BSE



Doomed: BSE will not die out before 2001, say scientists

DAILY POEM

My Father's Father's Father

By Moniza Alvi

In this city I have aged thousands of years.
I am older than the oldest tree in the world.

There are homes here for ancient holy cows
but none for old people, nowhere for me to go.

It is good that like the cows I am prepared to
wander the lanes and alleyways.

I was here before my father's father's father -
I think I can identify him, rising upwards

like K2 on an early relief map of India.
He is so old his skin is flaking like leaves,

his hair is soft as dust. I take his arm,
tell him who I am, then we are old together.

We vow to bathe ourselves everyday although
we are so old, because like the city

we are hanging by a tough thread
and dead-looking trees

have brilliant purple flowers.

Moniza Alvi was born in Lahore, Pakistan, but moved with her family to Britain at a young age. Her second collection, *A Bowl of Warm Air*, was published by OUP in May and, in a series that includes Kate Clanchy, Robin Robertson, Patience Agabai and Neil Rolinson, she reads from it at the Poetry Society (22 Bedford Street, London WC2) on Monday 2 September at 6.30pm.

CHARLES ARTHUR
Science Editor

One in every 50 cows used for human food in the past 10 years was incubating BSE, or mad cow disease, according to an authoritative new study by British scientists.

Although the research cannot show whether 12 recent cases of a new variant of the brain disorder, Creutzfeldt-Jakob Disease (CJD), were caused by eating BSE-infected food, it offers the first detailed analysis of the number of infected cattle that were eaten.

Described as "valuable and helpful" by the Government yesterday, the study also shows that between 1985 and 1989 - when the most infectious tissues, such as the brain and spinal cord, were still used in food - 446,000 BSE-infected cows were eaten. That represents about 3 per cent of the total of roughly 3 million cows killed every year.

In March, the Government said exposure to BSE-infected food could have been the cause of the new cases of CJD. The European Union subsequently banned British exports of beef and its by-products.

The study, which was carried out by a team at the University of Oxford, also shows that the Government's policy of culling all cattle aged over the age of 30 months will have little effect on the length of the BSE epidemic. The disease will not die out until 2001, no matter what action is taken, the scientists say, because it is now sustained by "maternal transmission" from cow to calf. Previously, BSE-infected feed was the main route of transmission.

Jeffrey Almond of SEAC, the independent advisory committee on BSE and CJD, said last night: "The big shock in this paper is the proportion of [infected] animals eaten before the 1989 ban." But the important - and still unknown - figure is what proportion of those were in the late stages of BSE incubation.

The analysis is published today in the science journal, *Nature*.

"We have been able to estimate the magnitude of the po-

tential problem, but there's still the issue of whether infected animals are infectious to people," said Christl Donnelly, one of the report's authors, yesterday.

"But with only 12 cases of the new CJD, it's impossible to predict what might happen."

Professor Almond admitted: "There's not much that we can do for any people who might be incubating CJD. We can't diagnose it, and we can't cure it."

There was wide agreement last night that the culling policy - which is now underway across the country - was a shotgun approach to a problem which needed more specific targeting.

"We would have to cull more than a million animals to make much difference," said Dr Donnelly. "Any less than that and you are reducing less than half of the cases. For example, culling 150,000 cattle would reduce cases by 34 per cent."

A better method, argued the report's authors, would be to focus on cattle herds which had already experienced high incidences of BSE, as these would be more likely to include infected calves.

Professor Almond agreed: "Culling is an expensive way of dealing with the problem and has little added impact on it."

The Ministry of Agriculture, Fisheries and Food said that the comparison of culling strategies offered in the analysis was "of particular interest". However, its spokesman would not comment on the public health implications of the consumption of BSE-infected cows.

The Meat and Livestock Commission welcomed the analysis. "We will certainly look at this data, and if it looks like the cull is not needed then that is great news for farmers," said Phil Saunders.

"We have said all along that we expect BSE to fade out by the end of the century. But at the end of the day, we have to look at consumer confidence."

"We must be sure that people understand that British beef is safe. We have to be careful before we shake up the whole system again."

TV controversy: Fears over ghettoised Friday night schedule as play highlights 'sleaze' in New Labour

BBC bids to win black viewers

MARIANNE MACDONALD
Media Correspondent

Michael Jackson, controller of BBC2, yesterday announced he would be devoting two-and-a-half hours of television to black viewers on Friday nights — to change the perception that they are "a series of problems".

In a remark which may inflame the very people he is seeking to attract, he said: "There is a danger of this audience being thought of as a series of problems: the problem of poverty, the problem of discrimination."

"We don't want to hide the fact that there are problems — that is why we have current affairs programmes, not that they always look at problems — but this is a way of reflecting another reality."

The two-and-a-half-hour entertainment strand will offer the first black drama series on British television for two decades, together with a black dating show, a lifestyle programme, and a spoof game show.

It is the BBC's boldest bid yet to win alienated black viewers. But it will raise questions over whether they will be ghettoised and served even less throughout the schedule as a result.

The £15m initiative forms part of Mr Jackson's final schedule before he takes on the job of BBC1 controller and director of television next month in the new BBC Broadcast Directorate.

Entitled *The A-Force*, it will run from 11.15pm to 1.45am. A key element will be a drama series, *Brothers and Sisters*, following the "loves and intrigues" of the congregation of a Northern Pentecostal church.

Another will be the first

black dating show in which contestants — all black — pick their dream date from a virtual reality computer bank.

Hang Time will provide a *Hot-107* style look at homes and lifestyles of black celebrities, while round-ups of the latest black music and fashion trends and a look at black soap operas worldwide is also promised.

Mr Jackson said the strand was an attempt to build on the success of *Black Britain*, the weekly current affairs show. It was not an attempt to ghettoise its black audience, he said.

"I don't think it's ghettoising. These viewers are different and have a different history and we want to reflect that, not blandify, homogenise and integrate all the time."

"All the research shows that that audience doesn't feel particularly comfortable with the BBC or served by it very well and it wants to know what the BBC is going to give it for its licence fee."

The controller, who has won acclaim for turning BBC2 around in his three years at the helm, added that a recent programme strategy review had highlighted the "huge gulf between the BBC and its Afro-Caribbean audience". The way to overcome it was to target a chunk of time rather than "slotting programmes into the middle of the schedule".

Other highlights of its autumn schedule include a new *Performance* season of award-winning plays for Saturdays; a four-part drama serial based on Iain Banks' novel *The Crow Road*; a series exploring the human mind led by the neurologist Oliver Sacks; and an exploration of US culture presented by the art critic Robert Hughes.



Black faces from television, including Lenny Henry Trevor McDonald, Norman Beaton and Cy Grant

TV head denies dramas mask political smears

The BBC yesterday denied having a hidden political agenda after it announced two new dramas which seem to criticise New Labour.

In *Giving Tongue*, to be screened on BBC2 this autumn, Labour has stormed to victory in the general election. A New Labour MP, Jessie Fielding, (played by Clare Holman) launches a Private Member's Bill to abolish blood sports

and in so doing weakens the influence of the Lords.

But Ms Fielding's murky past catches up with her. She had a teenage lesbian relationship with a huntswoman and an under-age affair with a Tory MP.

And in *Crossing the Floor*, sequel to *Drop the Dead Donkey* creator Guy Jenkins, a beleaguered Tory Home Secretary betrays his party and forms a secret pact with Labour.

The Conservatives have a majority of just one and his reward for betraying them is an influential position in the Labour Party. Labour leader Tom Peel (Neil Pearson) agrees to the move and the machinations of his party's "spin doctors" are exposed for all to see.

Crossing the Floor, sequel to *A Very Open Prison*, is due for transmission the day after the Labour Party conference ends, on 5 October. It was allegedly inspired by the defection of the Tory MP Alan Howarth to Labour.

The Controller of BBC2, Michael Jackson, denied any intention to "smear" New Labour and "restore the balance" after Michael Dobbs's *House of Cards* series. He said he was not motivated by wanting to keep the Tory Party chairman Dr Brian Mawhinney "happy".

A senior BBC spokesman said: "The timing of this is coincidental. One is political satire written by someone who specialises in comedy. The idea that these dramas can be put out at a moment's notice is absurd."

Mr Jackson, who takes over as Controller of BBC1 next month, was speaking at the launch of BBC2's £69m autumn season yesterday.

Letters, page 13

Designer guilty of false claim

A woman who won the architectural section of this year's BBC Design Awards was yesterday found guilty of falsely claiming to be a fully qualified member of the profession.

Gabrielle Bramante designed the Citizens' Advice Bureau in Chessington, south-west London, which was featured on BBC Television. But although she described herself as an architect she was not registered with the Architects' Registration Council (ARC) and so was not entitled to do so. Richmond magistrates' court was told.

Ms Bramante, who runs Bramante Architects in Teddington, also in south-west London, was prosecuted under the 1938 Architects' Registration Act for sending out various letters to the CAB with "architect" after her name. She was fined £1,000 for two separate impersonations on 29 March and 17 May this year.

The CAB building cost £360,000 and was opened last March by the Princess Royal. It was featured on BBC2 on 12 June, when Janet Street-Porter conducted a tour.

Keith Barker, on behalf of the ARC, the profession's watchdog, told the court that there was no record of Ms Bramante being a fully qualified architect. George McLellan, assistant registrar at the ARC, said: "Our role is to prosecute people under the 1938 act who call themselves architects without having proper qualifications... Anyone can carry out architectural work, but they are not allowed to call themselves architects."

Ms Bramante, who did not attend the court hearing, said later yesterday that she had qualified in the United States but there had been a delay in Harvard University forwarding her academic record. "I asked Harvard to send my academic record to ARC (UK) about eight weeks ago. Everyone knows I qualified in America."

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news

PR head suspended over tobacco report

NICHOLAS TIMMINS
Public Policy Editor

The Medical Research Council has suspended its head of public communications after she revealed her opposition to the MRC taking tobacco cash to study the medical effects of nicotine.

The decision by Britain's leading state funder of medical research to take funds from British American Tobacco has been strongly criticised by doc-

tors, medical scientists and other scientific bodies, such as the Imperial Cancer Research Fund.

Nick Winterton, the MRC's administrative secretary, has admitted that the decision to take the money had been "a difficult one", with the anti-smoking campaign group Action on Smoking and Health (ASH) yesterday condemning the decision to suspend Mary Rice as "outrageous".

Ms Rice, 49, who has a long

track record as a public relations specialist and a parliamentary lobbyist, has been with the research council for seven years and was credited by friends yesterday as doing "more to bring the MRC's public relations into the Nineties than anyone else".

She was suspended after telling the *Sunday Times* newspaper last week that she had opposed the decision by the council's Neurochemical Pathology Unit in Newcastle to

take the £147,000 "donation" from the tobacco giant.

She told the *Sunday Times*: "I thought it would be seriously damaging to the MRC's reputation as an impartial source of scientific knowledge. I put this in writing but was over-ruled."

Yesterday Ms Rice was refusing to return calls from the media, but sources at the MRC said it was clear that she had been quoted correctly in the newspaper.

ASH protested that the

suspension was unreasonable.

"She [Ms Rice] clearly warned the MRC that taking tobacco money would damage its reputation and that is exactly what has happened. She was simply doing her job. To suspend her now is outrageous."

The acceptance of the cash contribution towards a three-year research project studying the beneficial or harmful effects of nicotine in age-related disorders such as Alzheimer's disease is already forcing a rethink

over the guidelines under which units of the Medical Research Council are encouraged to seek outside finance.

Nick Winterton, the MRC's administrative secretary, who was on holiday yesterday, told *The Independent* at the weekend that the guidelines would have to be reviewed following the controversy.

The council - whose members have still not formally been told about the BAT donation - was "anxious to avoid any sug-

gestion" that the MRC's scientific work was being influenced by funding sources, he said.

"If people perceive that to be happening, even if it is not the case and we do not believe it to be the case here, then we would have to rethink. The perception is itself a serious cause for concern."

Jane Lee, the MRC's Director of Corporate Affairs, said that the decision to suspend Ms Rice - taken by herself as Mary Rice's line manager and Mr

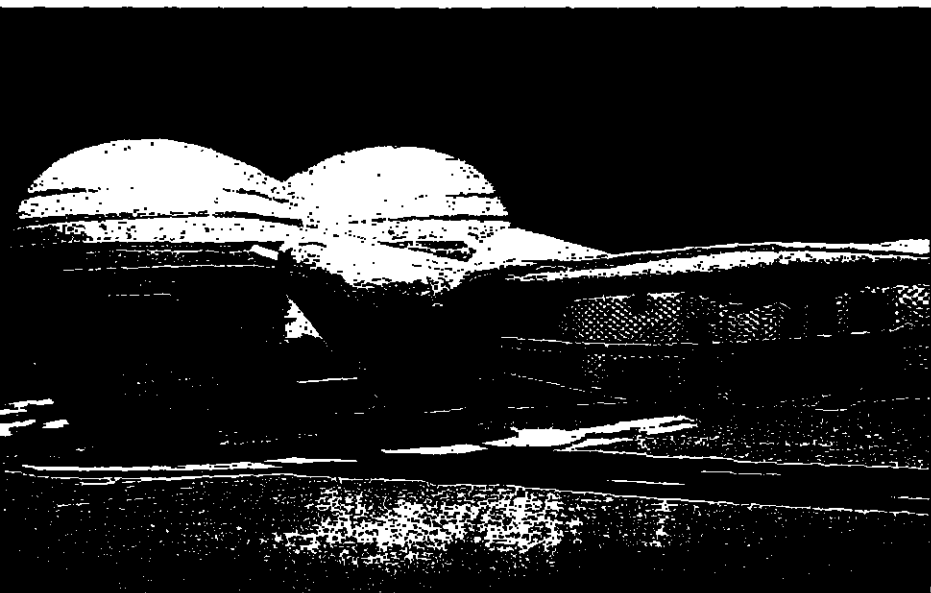
Winterton in his absence on holiday - followed "some difference of views between management here and Mary about the ramifications of the quote in the story."

Clarification was needed on whether she was speaking personally or as a corporate spokesman, Ms Lee said. A period of paid absence seemed sensible "while we reflect and decide what if anything needs to follow in her best interests and ours".

Spanning the Thames: Top international architects invite controversy with designs for a new inhabited bridge across river



21st-century living: The Royal Academy's competition to design an inhabited bridge across the Thames has spawned some revolutionary submissions, including Krier Kohl's Gothic-style façade spanning two towers (above); Branson Coates' 24-hour entertainment centre (below, left); and Antoine Grumbach's 'Green Bridge' (below, right)



Jewels in our heritage or a bridge too far?

MARIANNE MACDONALD

A revolutionary design for an inhabited bridge across the River Thames could soon become a reality. Plans have been submitted by world-famous architects, including Daniel Libeskind - creator of the V&A's infamous extension - and Zaha Hadid, whose design for the Cardiff Opera House was controversially rejected.

Seven architectural practices were invited to enter the Royal Academy's competition to design a new inhabited bridge across the Thames, and the resulting proposals have astonished assessors.

The brief was to ensure that the structure was commercially viable, following a feasibility study by KPMG which suggested ways in which income could be raised from shops, restaurants, hotels and public viewing platforms.

But few were prepared for postmodern architectural notions of how a 21st-century bridge in the heart of a capital would look. "They shatter traditional concepts of bridge design and are sure to generate a heated debate," said exhibition curator, Peter Murray.

Submissions included the "Green Bridge" from Antoine Grumbach of France, incorporating an arcade of shops and cafés between a grand tower on the north bank and an all-glass "Culture Palace" on the south.

Typically, Libeskind's design deconstructed the concept altogether to create a network of paths across the river. The designs by the four UK practices are also revolutionary. Ms Hadid offers a bridge which cantilevers accommodation from the banks, allowing views through the central section.

Branson Coates offers an anthropomorphic design housing a 24-hour leisure and enter-

tainment centre, with two hotel towers close to the south bank. Future Systems solves the problem with its "People's Bridge" - a pedestrian bridge using boat technology to create a skeletal-looking form.

Ian Ritchie's design incorporates a park set above howling alleys and cinemas, while Krier Kohl of Germany offers a Gothic-style facade spanning two towers incorporating flats.

The proposed site runs from Temple Gardens on the north bank to the area in front of the London Weekend Television building on the south bank. The winner will be announced on 24 September, after which it is hoped that private developers will make offers to fund the construction of a bridge.

Models and drawings of the submissions form the centrepiece of an RA exhibition, *Living Bridges*, which illustrates the history of the inhabited bridge. It will run from 26 September to 18 December and visitors will be invited to vote for their favourite design.

The official judging will be carried out by Mr Murray and Mr Gummer, together with Sir Philip Dowson, president of the RA, Michael Cassidy, chairman of the policy and resources committee of the Corporation of London, Sir Robert Clarke, chairman of Thames Water, Jean Dethier, a curator of the Centre Georges Pompidou, Gordon Graham, past president of the Royal Institute of British Architects, and the broadcaster, Janet Street-Porter.

The last inhabited bridge over the Thames was destroyed in the mid-18th century. Originally a Roman pontoon bridge, it spanned Southwark and the City and held houses, shops, corn mills and waterworks. The only remaining inhabited English bridge is Pulteney Bridge, in Bath, built by Robert Adam.

Eleven days on, hundreds of leads later, police have no answer for the loneliest parents in Britain

CHARLIE BAIN

The search for missing children Tom and Jodi Loughlin took a significant turn yesterday when police confirmed that a witness had come forward who spotted the family together on the beach minutes before the two children disappeared.

The description is the first confirmed sighting of the children anywhere near the beach at Holme, near Hunstanton since the search began 11 days ago.

Police said that a middle-aged woman had come forward saying she had heard the children's mother, Lynette Thornton, 37, call out to four-year-old Tom, who was lagging behind as the family walked across the beach.

Police Sergeant Peter Thompson said that the witness's description was a "very healthy development with very little discrepancy from a perfect match".

He added: "This was as near to 100 per cent a description as one could get, with so many detailed points."

Yet despite the woman's report, police say they are nowhere nearer to tracing the movements of the two children after they left their parents and ran towards the sea.

Yesterday the police renewed their appeal for two women to come forward. They were walking across a golf course near the beach and had remarked on two shrimp nets that Jodi, six, was carrying.

The police also said they wanted to speak to a man who



Searchers: Tom and Jodi's parents re-enacting the incident. Photograph: Alban Donohoe

kicked a black and white beach ball to the family, and a middle-aged couple who were seen talking to two children in a boat.

The search has been complicated over the past 11 days as Kevin Loughlin, 37, and his wife Lynette Thornton, from Norwood, south London, became increasingly confused about the circumstances surrounding the case. For six days police understood that the fam-

ily had been near golf links at the village of Holme next to the Sea when the children ran off. It was not until Friday of last week that Mr Loughlin was

calm enough to pinpoint that they had been at Gore Point, a narrow spit a mile nearer The Wash. However on Tuesday of this week, a third location between the golf links and Gore Point was given as the spot.

Yesterday, police were grant-

ing use of a large computer system, the Home Office Large Major Inquiry System (Holmes), to deal with more than 700 calls which had been logged since the beginning of the search.

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Arafat strikes back at Israeli bulldozing

ERIC SILVER
Jerusalem

In his most vituperative attack since he returned from exile two years ago, Yasser Arafat yesterday accused Israel's right-wing government of "declaring war" on the Palestinians by expanding Jewish settlements and stalling the peace process. The Palestinian leader called a four-hour protest strike this morning in the West Bank, Gaza Strip and East Jerusalem. "Strike, strike everywhere," he ordered the Palestinian legislative council, meeting in the West Bank town of Ramallah. "We cannot keep silent. We cannot tolerate this hellish plan that they are carrying out with toughness and stubbornness."

A furious Mr Arafat said the Israeli Prime Minister, Benjamin Netanyahu, wanted to humiliate the Palestinians. "We will not let anyone humiliate

us," he said. An Israeli spokesman reacted by warning Mr Arafat that Israel "will respond sharply to any attempt to worsen the situation, or to any violence which could endanger the peace process". It urged him to refrain from "declarations and extreme actions, which do not contribute to advancing the peace process".

Mr Arafat was speaking a day after the government authorised 900 extra homes in Kiryat Sefer, a new town for ultra-Orthodox Jews being developed across the old "green line" border.

On Tuesday Israeli bulldozers demolished a Palestinian community centre in the Old City of Jerusalem, which spokesmen claimed had been built without a licence. The funding was said to have come from the Palestinian Authority, which Israel is determined to keep out of the disputed city. Kiryat Sefer is the first large-

scale project on the West Bank since Mr Netanyahu rescinded the settlement freeze imposed by the previous Labour Government. The land had already been acquired for the town, which is remote from Arab population centres, but Palestinians fear it will begin another settlement boom.

Mr Arafat was taking an aggressive stance in advance of a meeting he was expected to hold soon with Mr Netanyahu. The prime minister, who has refused to embrace the man he considers an unrepentant terrorist, was forced to think again when President Ezer Weizman invited Mr Arafat to meet him.

Mr Arafat was also seeking to show his people, dispirited by the diplomatic stalemate and their consequential economic distress, that he will fight back if he has to. But it is the Palestinians, more than the Israelis, who will suffer from the strike.

Palestinian analysts acknowledge that a revival of the intifada uprising is not a credible option. Israeli troops are no longer ready targets for stones and petrol bombs in most West Bank and Gaza towns.

What does worry Israelis is that Mr Arafat might look the other way if Palestinian extremists renew their suicide bombings inside Israel. Since the last wave of terrorism in March, his security services have co-operated with their Israeli counterparts to curb the bombers. They need something to show for it.

The Hebrew press reported yesterday that the Israeli army and police were on heightened alert against a rumoured offensive by Islamic Jihad, the smaller but more ruthless of the Muslim rejectionist groups. There was speculation that it might be timed for the beginning of school term next week.



Demolition job: Palestinians search a building in the West Bank bulldozed by Israelis

Photograph: Yossi Suissa

AN OPEN INVITATION TO MICHAEL MEACHER MP AND THE LABOUR PARTY FROM NORTH WEST WATER.

In a recent report to the media, Mr Michael Meacher MP pours more than scorn over the water industry.

He claims that bathing off certain popular beaches is equivalent to "swimming in raw sewage", thanks to the water companies dumping it straight into the sea.

North West Water, according to his report, are the worst offenders.

However, he neglects to point out that his report is based largely on some very old facts and figures.

The effect of this inaccurate report is to damage the development of tourism - a vital part of the North West economy - and with it the creation of new jobs.

To bring the Shadow Environmental Protection Secretary up to date, and avert any further damage to North West tourism, here are some 1996 facts and figures for him to digest before his next public outpouring.

FACT: Launched in 1994, North West Water's £500 million Sea Change initiative is not only a major feat of British engineering, it's also one of Europe's largest ever environmental clean up operations.

FACT: Sea Change brings to an end the centuries old daily practice of dumping raw sewage directly into the sea.

FACT: 30 major projects have been undertaken along the North West coastline (from the Scottish border down to Merseyside), and this massive investment programme is now virtually complete.

FACT: The work has included 12 new or upgraded wastewater treatment plants, over 20 kilometres of new wastewater super-tunnels, 35 new pumping stations, and 9 new long sea outfalls.

FACT: Wastewater is now being treated using the latest biological methods to meet stringent legal and regulatory standards before it is safely released into deep water as far as three miles out to sea.

FACT: Sea Change is just part of a £2 billion environmental programme North West Water is carrying out to improve the quality of the region's rivers and bathing waters.

If misinformation is to be the basis of Mr Meacher's future reports to voters there is little we, or anyone else, can do to stop him.

However, we believe the public deserve something better - the truth.

Truth based on today's facts, today's figures, and what the heck, actual first-hand knowledge.

That's why we're extending an invitation to you, Mr Meacher and your colleagues.

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Facing up to the future

Military deal softens Turks' shift to Islam

TONY BARBER
Europe Editor

Turkey signed a military co-operation agreement with Israel yesterday in a move that balanced recent diplomatic and trade initiatives towards the Islamic world by the Prime Minister, Necmettin Erbakan, and his new Islamist-led government. Turkish officials said the deal with Israel covered co-operation in the defence industry and was similar to agreements that Turkey has with about 20 other countries.

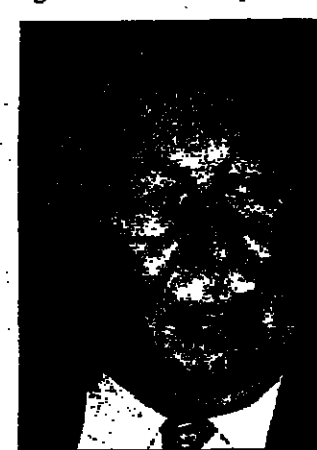
However, the deal was unusual in that it was the second joint military accord between Turkey and Israel this year. A previous agreement, which was signed before Mr Erbakan's Islamist Welfare Party came to power last June, allowed Israeli pilots to train in Turkish air space and attracted criticism from Iran and other Islamic countries.

Mr Erbakan, who is Turkey's first Islamist leader in more than 70 years, caused a stir in the United States this month when he chose Iran for his first foreign trip as prime minister. He signed a \$20bn (£12.9bn) deal to build a pipeline and import gas from Iran into Turkey, and followed it up with a range of important trade agreements signed during visits to Indonesia, Malaysia, Pakistan and Singapore.

These measures aroused suspicions in Washington that Mr Erbakan might be hoping to reduce Turkey's emphasis on its ties with the West in favour of closer involvement with the Islamic world. After he returned from his eastern trip, however, Mr Erbakan said: "We want to develop our rela-

tions with the West, and at the same time we want to raise to the highest level our relations with brotherly Muslim countries."

When in opposition, Mr Erbakan spoke out against the military training accord with Israel, but quietly lifted his objections after coming to power. His decision to keep this arrangement in place and to sign a new defence co-operation



Erbakan: Balancing the West with Muslim world

deal with Israel underlines there are limits to the pro-Islamist slant of his foreign policy.

More evidence to this effect came when Mr Erbakan permitted the renewal of Operation Provide Comfort, the US-led mission which uses a Turkish air base to protect Kurds in northern Iraq. The Welfare Party's deputy leader, Riza Uluçak, said: "Our stand is not one of abandoning one bloc and approaching another. We do not feel enmity towards anyone. However, we feel that it is our most natural right to give priority to our own interests."

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DAVIDSON
Galera, Peru

Admiral Evans of the US Navy made the American-engineered Central Peruvian railway the Andes at the end of the 19th century, he dismounted at the highest point - 15,694ft - in the Galera tunnel - and urinated. "That's dandy! I've always wanted to pump ship into the Atlantic and the Pacific at the same time," he said.

Outside the nearby Galera town, at 15,681ft the world's highest, I tried to emulate the admiral but my water flowed neither east nor west and simply leaked into the beige soil.

Riding a train up the Andes is a height equivalent to the summit of Mount Blanc is breathtaking, literally. Try it in the driver's cab of a goods train, complete with diesel engines, on a line that used to be controlled by Sendero Luminoso (Shining Path) guerrillas, and you feel giddy.

Getting off at Galera, I was in reasonable shape, thanks to the recommended glucose tablets that ease the effects of altitude (altitude sickness).

Short of breath, it was difficult to converse with the crew of Engine No 704 on the Central Peruvian Railway, the world's highest, steepest and most twisted standard-gauge line, running from Callao on the Pacific to the Andean town of Huancayo. But worse was to come.

I had to see the highest stretch of track in the world, on a loop above Galera, but it was closed. "We'll have to hike it," said Gonzalo Santibañez, an inspector with Enafer, the state railway. "Following the track takes too long. We'll take the direct route." Scrambling up the steep slope, *suroche* hit me. It was like being drunk: I lost balance and fell several times. Although half a mile, it took us half an hour to reach the stretch of track marked by a sign saying: "Highest railway point in the world, 4,818 metres, 15,806 feet." That's 34ft higher than Mount Blanc.

To ride the world's highest railway, I had hitched a lift on



Breathtaking: A bridge being inaugurated last century on the Central Peruvian railway, site of the world's highest railway station

a goods train serving the Andes' gold, silver, copper and lead mines. Peru's President, Alberto Fujimori, closed the line to passenger traffic in 1991, partly because of competition from a new road, but mainly because the line was attacked by Shining Path guerrillas. About 20 crewmen were killed in attacks between 1980 and 1992.

The passenger service may resume next year, now that the guerrillas have largely been crushed. If it does, the train will carry a nurse, as it used to, with oxygen for passengers.

Although they were started by American contractors in the 1870s, Peru's railways have a strong British connection. After construction was halted by the 1879-83 War of the Pacific when Chile defeated Peru and Bolivia, Peru was nearly bankrupt. In a debt-for-investment deal, British holders of Peruvian bonds were granted control of

a pledge to continue construction. This corporation ran the system until 1972, when Peru nationalised its railways and set up Enafer.

But the British legacy remains: Enafer executives trained in Crewe and Derby and older drivers recall working with visiting British mechanics and sound uncannily like their British Rail counterparts when they discuss working conditions. "Bring back the British, that's what I say," said driver Pedro Vargas, who hauled me and wagons of fuel and scrap metal up the Andes before returning with copper ingots and lead. "Things have gone down the drain since they left."

Some Peruvians credit Robert Stephenson, who helped his father George build the *Rocky*, with the idea of constructing a railway across the Andes.

The younger Stephenson, recalling his father's work on

overcoming gradients, may have had the idea of linking the mines to the ocean when he was in the Andes in the early 19th century.

At its peak in the Seventies the passenger service used to run 214 miles from the Pacific port of Callao, through Lima, past Galera, past the foundries of Oroya and on to Huancayo.

I boarded at Chosica, about 30 miles east of Lima, where the goods trains assemble and leave in convoy at dawn. With a single track, there is no way to pass on the line. Trains go up in convoy, load at the mines, turn round and come back at night.

At 3am, after sharing a stew with crewmen around a campfire by the tracks, I pulled out in the cab of Engine No 704, a Brazilian-made Villares, with driver Vargas, co-driver Lisandro Jimeno and Gonzalo the inspector. There were few people up as we chugged through villages in what was at first a grad-

ual slope. But Lisandro's constant horn-blowing, essential since the train endlessly crisscrosses a main road without level crossings or barricades, must have awakened a few. The train rarely gets above 15mph, but it still needs about 50 yards to stop and collisions are common.

Sitting 20ft up in the cab of Engine No 704 and trundling on to the steel Challenge Bridge over an unfathomable ravine was unforgettable. All you see ahead are the rails and sleepers, like a piece of toy train track slung across an open space with nothing on either side.

Pedro helpfully pointed out that Shining Path had blown up several such bridges in the past and that Engine No 703 had been blown 500ft down an abyss in 1988, killing the driver and an inspector. "They used to try to blow up a train almost every day," said Gonzalo. "They thought they were on the point of victory but *El Chino* [the Little Chinaman, the nickname of President Fujimori because of his Japanese origin] has brought back law and order."

Looking down on villages we had passed, hundreds of feet down an often sheer moun-

tain side from the single railway track, it seemed as if we had taken off on an aircraft. Every time we huffed and puffed to the top of what looked an unassailable summit, another, more imposing peak loomed.

So steep is the slope from Tamboraque to the summit at Galera, a 6,000ft climb over only 30 miles of track, that the line relies on a series of what the Peruvians call zigzags. When the slope is too steep for curves, the train goes as far as it can to a dead-end. Points are changed and it reverses on to a separate stretch, always going uphill. Another points change and it's forward and upward again.

There are 22 zigzags on the Huancayo route, some of them going through tunnels. There is something disconcerting about going through a tunnel uphill backwards on a narrow mountain ledge at 13,000ft. My two most overpowering impressions? First, that the Andes seem to stretch on for ever, higher and higher. Second, that man got up there, by foot and by mule, to conquer them with two narrow strips of iron.

This is the latest in our summer series

Prodi fails to pull the plug on Berlusconi

ANDREW GUMBEL
Rome

Yesterday should have been the day the lights went out at one of Silvio Berlusconi's three private television stations.

That was the deadline set almost two years ago by Italy's Constitutional Court to try to limit his monopoly on the private broadcasting sector. That was also the promise made by the centre-left parties when they won last April's elections.

So the fact that Mr Berlusconi's networks stay unchanged this morning is an embarrassment to the Government.

The fact that the Cabinet was forced to rush through a decree law, extending the Constitutional Court deadline, only underlines the difficulty Prime Minister Romano Prodi and his team have had in coming to grips with the basic problems facing the country in their first 100 days in office.

Real change is proving hard to promote as the patchwork of parties supporting his Government have resorted to old-fashioned in-fighting and power play. The next few months will present Mr Prodi with a series of headaches that will make or break his Government.

Top of the agenda is a rigorous 1997 budget, which the Government must push through if Italy is to have a chance of meeting the Maastricht criteria on European Monetary Union by the end of the century.

Mr Prodi wants to slash 32 trillion lire from an already strapped budget to bring the deficit down to four and a half per cent of GDP - not yet at the three per cent level required by Maastricht, but

getting there. The prospect of such drastic surgery is already extracting wincing of pain from industry, and protests from the hard-left Rifondazione Comunista party, on which Mr Prodi depends for his majority.

To be convincing, the budget will have to entail swinging cuts to health and pensions, where there is little fat left to cut.

Even Mr Prodi's deputy, Walter Veltroni, has wondered aloud whether the sacrifices required for Maastricht are worth it and whether the goals and timetable for monetary union should not be revised.

The growing pessimism about Italy's prospects in Europe is generating fears of social unrest - and more immediately - political upheaval. Already the separatist Northern League is putting flesh on the bones of its demands for secession by suggesting that the affluent northern third of Italy adopt the Euro while the rest pay the price for the country's desperate public finances and stick with the lira.

Rifondazione Comunista, meanwhile, is playing an unnerving game of brinkmanship by threatening to withdraw support on a series of issues including the budget, while the centre's more restive elements are whispering about breaking away in search of new political partners on the centre-right.

The chances are that Mr Prodi's Government will survive, if only because the present Parliament offers no obvious alternative. But the television issue, now hanging awkwardly over the Government as deputies return from their holidays, does not bode well for what promises to be a hotly-contested autumn.

France goes for EMU

Paris — France is to make its commitment to the single European currency the thrust of its diplomacy, writes Mary Dejevsky.

All French embassies have been instructed to spread the message - less than a month after the franc was unsettled by speculation about a rift between President Jacques Chirac and the Bank of France over the level of French interest rates.

It seems a move designed to

calm fears in Germany about France's ability to meet the Maastricht criteria on time. The Foreign Minister, Hervé de Charette, told senior French diplomats yesterday that the single currency was "Europe's true federal project".

The timetable would be respected. But with unemployment remaining high, and economic growth projections being revised downwards, many doubt that France will qualify to join the single currency at the start.

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Khmer Rouge chief sets up splinter group

STEPHEN VINES
Hong Kong

One of the senior leaders of Cambodia's genocidal Khmer Rouge government has confirmed he has established a movement to rival the Khmer Rouge guerrillas led by Pol Pot. A statement written by Ieng Sary also confirms he intends to seek reconciliation with the Cambodian government which is split over his attempts to regain a legitimate political role.

Ieng Sary says he has decided to break with "the dictatorial group" led by Pol Pot and claims that Cambodia "will be reduced to nothing if the Khmer [Cambodian] people continue to fight each other indefinitely".

Most of the international media insists on describing Ieng Sary as "Brother No 2", or second in command to Pol Pot, but as he pointed out in an interview with the *Bangkok Post* on Monday, this is "a gross mistake". He identified Brother No 2 as being Nuon Chea, the deputy secretary of the Communist Party of Kampuchea, who he said was responsible for the rounding up and killing of intellectuals and diplomats lured back to Cambodia during Khmer Rouge rule from 1975-78.

Authoritative independent sources confirm Ieng Sary was not the second in command but, as deputy prime minister, foreign minister and Pol Pot's brother-in-law, he was part of the inner circle which planned and executed the genocidal policies destroying around a fifth of Cambodia's population.

It is for this reason that he was sentenced to death for genocide and that his political rehabilitation is strongly opposed by King Norodom Sihanouk. However, the king's son, the first Prime Minister Ranariddh Sihanouk, and the powerful second Prime Minister Hun Sen, seem determined to bring Ieng Sary back into the fold.

They see this as aiding the dis-



Ieng Sary: A member of Pol Pot's inner circle

integration of the Khmer Rouge and hope that Ieng Sary and his followers will bring support and resources to the beleaguered regime and help defeat the democratic opposition forces.

In his *Bangkok Post* interview Ieng Sary spoke of a secret committee, of which he was not part, that was responsible for the arrest, torture and execution of so-called enemies of the regime. The Khmer Rouge says Ieng Sary is little more than a common criminal, having embezzled up to \$25m (£16.5m) from the party's coffers.

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Columns of Russian men and equipment trundled out of the shattered Chechen capital yesterday as Russian and Chechen commanders sat down for more talks on implementing the ceasefire deal.

With Grozny returning to a semblance of normality after some of the bloodiest fighting for more than a year, jubilant Russian soldiers cheered as they drove out of the city. "We are going home, back to Russia," one said. The truce is the achievement of Russian security chief Alexander Lebed, whose efforts to find a political settlement appear to have been frozen in Moscow. The pullout, a ceasefire and joint Russian-Chechen military patrols in Grozny are key elements of the agreement. Rebel fighters are clearly in control of the city. Kiosks have opened up again and the range of goods on offer is rising. In one street, a woman said she was going to visit friends. "It seems like we can smell peace. People are already starting to visit each other," she said. *Reuters - Grozny*

News Analysis, page 14

Iran has asked Germany to arrest and extradite former President Abolhasan Bani-Sadr, who testified at a Berlin trial that the Tehran regime organised the murders of opponents abroad, the federal justice ministry said. Mr Bani-Sadr, who lives outside Paris, is scheduled to give more testimony at the trial on 5 September. He testified last week that he was told by sources in Iran that Ayatollah Ali Khamenei signed an order to assassinate a Kurdish leader who was gunned down with three aides in a Berlin restaurant in 1992.

The extradition request cited charges of hijacking a plane, apparently a reference to Mr Bani-Sadr's 1981 flight to exile in France. German officials said there was little chance they would comply. In Tehran, however, foreign ministry officials denied that Iran had made an extradition request. *Germany - AP*

Two German men have been charged with child abuse in Thailand and distribution of child pornography. Berlin's justice department said. The two men, identified only as Thomas S, 33, and Dieter U, 43, were accused of forcing children aged between nine and 14 to have sex with each other and with adults, and of making videos and photographs. Mr S is accused of filming 12 children having sex while he visited Pattaya as a tourist in 1993, and then setting up a mail-order business offering child pornography from Pattaya with the help of Mr U. A change in German law in 1993 made it possible to prosecute Germans for abuse of children under 14, even if the crimes were committed abroad. *AP Berlin*

Five thousand Zimbabwean civil servants, sacked by the government for going on strike, marched in protest through the capital, Harare, yesterday to press their case for higher pay. The marchers - who included nurses, junior doctors, mortuary attendants and firefighters - were incensed that President Robert Mugabe had left the dispute unresolved for an official visit to Kenya. The Zimbabwe Congress of Trade Unions said it might call a general strike if the government failed to resolve the crisis by tomorrow. *Reuters - Harare*

A Florida man could face a mandatory 40-year jail term for stealing toilet paper, because of previous convictions. Henry Steptey, 32, who is homeless, was found guilty of stealing 22 rolls of toilet paper in May from a municipal lorry that serves portaloos in the Miami area. Because he had been arrested 50 times for crimes ranging from burglary and cocaine possession to assault, prosecutors determined he should be sentenced under a tough new law against repeat offenders. Under the law, a 40-year term would be mandatory for his latest theft. At a pre-sentencing hearing next month, a judge will rule on whether it should apply. *Phil Davison - Miami*

Protests against France's tough immigration policies flared again yesterday, spurred by rumours that the government was about to fly out two plane-loads of Africans. Several thousand people marched through Paris to support African immigrants demanding residence permits and an Air France union said it would try to prevent them from being expelled. The demonstrators, who were led by the Communist Party leader, Robert Hue, a dissident former bishop, Jacques Gaillot, and leading human rights activists, chanted: "We all are children of immigrants." *Reuters - Paris*

Six Catholic missionaries being held by rebels in southern Sudan on charges of spying and spreading Islam were freed last night, an aid agency reported. The six, including three Australian nuns, have been held for almost two weeks. Church officials warned that they had had no confirmation and would have to wait until today to be sure. *Reuters - Nairobi*

Polish beauty queen murdered



Agnieszka Kotlarska, Miss Poland 1991 who was fatally stabbed in the chest in front of her Warsaw home on Tuesday. Miss Kotlarska narrowly escaped death on 17 July on TWA flight 800 which crashed off New York when she cancelled her booking at the last minute. Police arrested the attacker, who 'claimed he had known her'. Photograph: AP

Football hero shot dead by 'car-jackers'

MARY BRAID
Johannesburg

The car-jacking epidemic afflicting South Africa has claimed the life of a national hero. Eliakim "Professor" Khumalo, 56, one of the country's football greats, was shot dead outside his home in Soweto on Tuesday during the theft of his car by four men.

Yesterday his son, Doctor Khumalo, a South African international who plays in the United States for the Columbus Crew, was flying home.

In Johannesburg there were 8,500 car hijacks in the past year. Drivers are usually forced from the road by attackers or ambushed in their driveways and outside their homes. Eliakim Khumalo was not the first to have been murdered in such an attack.

Khumalo, whose skill and intelligence earned him the nickname "The Pro" in the Sixties and Seventies, is believed to have been shot in the back by the men who stole his Volkswagen Jetta.

The former Moroka Swallows and Kaizer Chiefs star died



Doctor Khumalo: Followed in his father's steps

soon afterwards in hospital. A woman caught driving the car in the city centre was being questioned by police last night.

Clarence Mokou, director of Kaizer Chiefs, for whom father and son both played, said yesterday that he was devastated by the death of "a perfect gentleman who would not hurt a fly". The club had been planning to honour him later this year.

In his time the Pro was regarded as one of the best full-backs in the country. When he died, Khumalo was head of

the club's youth development programmes.

David Chabelli, the Moroka Swallows chairman, said that the murder highlighted the urgent need for the government to act against crime.

Yesterday, the Soweto police commissioner, Victor Nolutshunga, condemned the murder as senseless and appealed to the community to join hands with the police in fighting crime.

But the public is growing increasingly frustrated with the authorities' inability to bring crime under control.

Its anger erupted recently in Cape Town when a vigilante group publicly killed a local drug baron, Rashaad Staggie, leader of a gang called the Hard Livings, by shooting and setting fire to him.

It followed a shoot-out between the anti-drugs group and the gangsters which left 18 people wounded.

While police claim some success in cutting crime, violent crime shows no sign of abating. Johannesburg's murder rate remains the highest in the world and is rising.

Section Two, Cover story

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Abraham Games

Abram Games was one of this century's most inventive graphic designers. Throughout a remarkable career spanning over 60 years Games produced numerous posters as well as stamps, book jackets, and symbols including those for the Festival of Britain (1951), BBC Television (1952) and the Queen's Award to Industry (1965).

Many of his most enduring images were created when he worked as Official War Poster Designer, designing almost 100 posters during the Second World War.

Games' rather austere, almost puritanical demeanour belied a wry sense of humour. His gaunt, bird-like appearance somehow seemed appropriate to a designer whose work was essentially about paring down the message to its simplest and most powerful form. His objective was to achieve a visual shorthand, and to this end he adhered to a modernist design philosophy which he neatly summed up in the phrase "maximum meaning, minimum means".

Games spent most of his life working independently, producing graphic designs from the studio at his family home in Golders Green, London. In retrospect, apart from the war

years, he never appeared to be comfortable with the constraints of an organisation. Towards the end of his life he could still produce school reports, from the 1920s, which illustrated how difficult he found it to function within institutions. In one report of 1929 he was described as "lazy, indifferent, careless, untidy", and most astonishingly his drawing was described as "weak".

When Games persuaded his parents to allow him to leave the Grocers' Company School, Hackney, the headmaster brutally told him: "To be an artist you need talent and you haven't got it". An attempt to continue his art education at St Martin's School of Art, in London (1930), proved to be another frustrating and unrewarding experience. After two terms Games abandoned his formal art education. He continued life classes in the evening and spent his lunchtimes drawing at the National Gallery, and making anatomical studies at the Royal College of Surgeons.

In 1936 he won first prize in a poster competition to promote London County Council evening classes. In the same year he was dismissed from the commercial art studio of Askew Young after he was caught fooling around - he was at-

tempting a standing jump over four chairs when his boss caught him in mid air. "I went flying, and my job went flying too!"

Thereafter Games concentrated his efforts on promoting his solo design career. Copies of the journal *Art & Industry* (1937), featuring some of his early poster designs, were sent to studios in London. Gradually commissions for posters came from prestigious clients like London Transport, the GPO and Shell. The renowned design director of Shell, Jack Bodington, was later to prove influential in Games' appointment at the War Office. This was a golden age of poster design and Games acknowledged the influence of great French posterists like A. M. Cassandre, Jean Carlu, Paul Colin, and in Britain, Edward McKnight Kauffer. His own distinctive visual language emerged strongly in the instructional and educational posters he produced during the war.

A skilled airbrush practitioner, Games usually preferred to produce his graphic images by hand rather than to rely upon photography. As his father was a photographer Games was familiar with dark-room techniques and occasionally combined photography with hand-drawn elements. In "He Talked... They Died" (1943), part of the "Careless Talk" campaign, he incorporated a photograph of a soldier's body ensnared face-down in barbed wire. The horror attached to this record of a death was infused with real pathos.

A number of Games' war posters excited fierce responses, most notably from the Prime Minister, Winston Churchill, and the Labour Minister, Ernest Bevin. His early recruitment poster for the ATS - the women's army - was not reprinted after the war. It was questioned in parliament. This poster, which portrayed a glamorous woman soldier in uniform (the "blonde bombshell"), helped to redefine perceptions of the ATS, and at the same time challenged those who were defending traditional views of the feminine.

Even greater controversy was generated by Games' contribution to the "Your Britain..."

Fight for it now" campaign produced for the Army Bureau of Current Affairs (1942). In a powerful set of three posters the socialist Games chose to acknowledge the darker side of social inequality in Britain and presented examples of modern architecture - a school, a block of flats, a health centre - signifying a brighter future for post-war Britain.

By juxtaposing these images with grim reminders of the squalid conditions on the Home Front he infuriated some of the war cabinet. Ernest Bevin was responsible for the removal of the poster from an Artists' International Association exhibition and Churchill ordered its destruction. The poster was an unwelcome reminder, particularly to Conservative politicians, of the heavy burden of popular expectation likely to emerge after the war.

Games' rich array of concise and effective wartime images cajoled soldiers about personal cleanliness, warned against careless talk and horse-play with weapons, persuaded civilians to give blood, grow their own food, and even knit socks.

The poster which Games claimed he would most like to be remembered for is the chilling "Your Talk May Kill Your Comrades" (1942). This poster's message is illustrated in a shockingly literal manner. A spiralling form radiates from a soldier's mouth to signify the circulation of careless gossip. This symbol for language turns into a surreal blood-red bayonet which penetrates three contorted bodies. The link between the soldier's talk and its deadly effect is made crystal clear.

Games' special position at the War Office meant that he was among the first to see the horrific pictorial evidence of Nazi brutality in the concentration camps. These images would haunt him for the rest of his life. As a graphic designer he was deeply conscious of the Nazis' exploitation of all forms of design for their own ends. This harrowing revelation sharpened Games' awareness of the responsibility of the graphic designer to present the truth according to his conscience and religious and political beliefs.

As a Jew, Games had worked for the Jewish Relief Unit. After the war he worked tirelessly for many Jewish and Israeli organisations. His poster "Give Clothing for Liberated Jewry" (1946) - based upon an image of a starving adult in Belsen - is a haunting reminder of the period.

Games was demobbed in 1946 and resumed his freelance practice. Soon he was working on a number of distinguished commissions - *The Financial Times*, British European Airways, Guinness and the island of Jersey. In 1948 he won a competition limited to 12 leading designers which resulted in the ubiquitous Britannia and the cardinal points emblem of the Festival of Britain. There were very few households in 1950s Britain which did not possess a Festival souvenir displaying this symbol.

In addition to graphic design Games had a passion for inventing and was proud of his large number of product patents. During the 1930s he invented a copying process which attracted the interest of the large electronic companies. His most famous invention is the Coxa Coffee New Table Model (1959) which is now a much sought-after design classic.

Games' international stature was confirmed in 1958 by the award of an OBE, followed in 1959 by his appointment as Royal Designer for Industry (RDI). Influential as a teacher at the Royal College of Art (1946-53), his meticulous working methods are outlined in *Over My Shoulder*, a book he produced in 1960.

His skill with letterforms was well demonstrated in the logo-type and corporate identity he produced for GKN (1968). This outstanding logo-type has stood the test of time and is still in use today.

In contrast to his posters Games demonstrated his ability to work on a miniature scale with a set of tourist stamps for Jersey, which won first prize in an international philatelic competition in Italy (1976).

Although latterly detached from the trends of current design practice, Games continued to work productively throughout his final years for a range



Games' controversial ATS "Glamour Girl" poster, which was withdrawn on parliamentary demand in 1941.



Games: paring down the message to its most powerful form

Erskine Childers

Erskine Childers succumbed to a heart attack during the 50th anniversary congress of the World Federation of United Nations Associations, of which he was Secretary-General. It is perhaps fitting for so totally dedicated a man that he died giving all of his energy and ingenuity to an international organisation that he was trying desperately to revitalise.

Childers was a most unusual person by any count. His great grandfather, Robert Childers, was a distinguished Victorian orientalist scholar. His grandfather, Erskine, wrote the classic international thriller *The Riddle of the Sands*. He also fought as a trooper in the South African war and served in the First World War in the naval air service and the Royal Air Force, among other things doing much of the original aerial mapping of Palestine. After the war he returned to Ireland and joined the Republicans when they took up arms. He was executed for treason by the British in 1922 after being tried for having an automatic pistol without the proper authority. His son, also Erskine, much later on became president of Ireland.

The third Erskine Childers, not surprisingly with such a dramatic family history, grew up with an innate distrust of great powers and of established authority. He was passionately interested in the endless quest for justice, equity and fairness in international affairs. His championing of the Palestinian cause resulted in his first book, *Common Sense about the Arab World* (1960), which he followed up in 1962 with *The*

Road to Suez: a study in Western-Arab relations.

Starting his career as a writer, lecturer and broadcaster, Childers joined the UN Secretariat in 1967. His special field was economic development, and by the time he retired in 1989, he had worked with virtually all of the organisations of the UN system in all the regions of the world. His last UN position was Senior Adviser to the UN Director for Development and International Economic Cooperation.

Erskine Childers and I came together in 1989 after he had reviewed my memoirs and echoed a remark of mine deploring the slipshod way in which governments and especially permanent members of the Security Council select the Secretary-General of the UN. We both felt that this question deserved more attention than it had received, and we worked together on a short book, *A World in Need of Leadership: tomorrow's United Nations*, which was published by the Dag Hammarskjöld Foundation and the Ford Foundation in 1990. This subject is once again very much in the news, and it is sad that a new edition of this book, with a number of fresh ideas from Childers, will be published this very week on 30 August.

Our leadership study received an encouraging reception in 1990, and over the intervening years we produced three more works on UN reform - on reorganising the secretariat, on strengthening international response to humanitarian emergencies, and on renewing the UN system. I was increasingly impressed with Childers' imagination, his vast fund of knowl-

edge and experience, his powers of analysis and his enormous capacity for hard intellectual work. He never tired of his subject or lost his youthful zeal for pursuing it, and the best ideas in our joint works were almost always his.

He was a wonderful person to work with. His enthusiasm was constantly boosted by his passionate convictions, his loathing of anything that smacked of bullying or condescension, and his indignation at the current fashion to denigrate and downgrade international organisations, especially in the United States.

Childers knew as well as anyone how much these organisations needed improvement and strengthening - in fact he had devoted his later years to this cause - but he was outraged at the ignorance, prejudice, xenophobia and petty malice of much of the current onslaught on the UN. His indignation was intensified by the perennial failure of the United States to



Childers: a champion of the oppressed and the less fortunate

pay its full dues to the world organisation.

His biting humour and his strong opinions were splendidly stimulating to those he worked with. There is no doubt however that, in the cautious world of the UN secretariat, they also diminished his prospects of advancement. More than one effort to put him in a post which would have given full scope to his great talents was effectively blocked by mummbling and unspecific reservations. I don't think Erskine Childers cared all that much. He was more interested in getting it right and keeping his principles undiluted.

He was, by nature and by inheritance, a champion of the oppressed and the less fortunate. He stood up for the developing countries and their peoples. He fought for their place on the international scene and for the programmes and activities that would help them attain it. To his last day he was indefatigable in writing, researching and addressing meetings all over the world on this subject.

Childers was also an outspoken champion of the United Nations and its mission. In *Renewing the United Nations System* he wrote, "The only hope of effectively dealing with the world's major problems in the interest of all humankind is through the progressive development of a working world community". That is what Erskine Childers devoted his life to.

Brian Urquhart

Erskine Childers, international civil servant and activist: born March 1925; twice married; died Luxembourg 25 August 1996.

Bulland Al-Haidari

When the poet Bulland Al-Haidari died, copies of his latest anthology, *The Trails of the Exile*, sat unwrapped by the side of his sick-bed; it was published as he was admitted to the Royal Brompton Hospital in West London.

Like many of his fellow Iraqi men and women of letters, Al-Haidari lived the greater slice of his mature years in exile, lamenting the fate of his nation, which was portrayed in a sad, cold picture in the opening verse of his latest collection:

Step by step, we marched together,
My country, the horror of the lean
desert's night, and I
Toward the exile.

The tone of sadness, exasperation and a trace of nihilism echoed, as many critics of Arabic letters noted, his earlier verse, reflecting a deep sense of the poet as victim of a cruel and unjust world ruled by dictators and tyrants. These sentiments appeared in more measure doses even in his first published collection, *Whisked Mud*, in 1946.

Al-Haidari was recognised as one of three poets who founded modern Arabic poetry, which was arguably invented by the Iraqi poetess Nazik Al-Malassa in the 1940s when she destroyed the rigid structure of *Al-Bihar al-Arabi* that had remained unchanged over 2,000 years. The new freer (or unrestrained) style of structure and form generated an intense debate and changed the yardstick of literary criticism among Arabic literary scholars.

Yair Rosenbloom, songwriter and composer, died Tel Aviv 27 August, aged 52. Composer of

Bulland Al-Haidari was born in 1926 in Baghdad to an aristocratic Kurdish family. His father was an army officer, and the family moved several times between the capital and the Kurdish towns of Arbil and Sulaymaniyah, where young Bulland spent part of his school years. In the early 1940s he was attracted to left-wing political groups in a country which, even under the monarchy - overthrown by the military in 1958 - did not tolerate opposition of any kind, especially from poets and artists. He was himself a talented artist - in water-colour and oil - and wrote two books on art, one on art criticism, *Time for Every Time* (1981) and the other on contemporary artists (1992).

The publication in 1945 of his verse in the Egyptian literary journal *Al-Kalib*, the highest a writer of Arabic language could aspire to, was his doorway to fame. His second collection, *The Songs of a Dead City* (1952) was widely acclaimed in Cairo, where he was welcomed by the then giants of modern Arabic literature like Youssef Idriss, Salah Abd-Elisabour and Naguib Mahfouz. Twenty years later his seventh anthology, *A Dialogue across the Three Di-*

Monies, was to establish him at the pinnacle of his craft and, in the view of the respected Egyptian critic Ahmad Abbas Saleh, "the instigator of the modern trend of Arabic poetry because his choice of subject in his poems and the treatment of



Al-Haidari: saw the poet as victim of a cruel and unjust world

such issues fitted the new freer style."

As a Kurd, Arabic was not Al-Haidari's mother tongue and he wrote in Kurdish in the early years; he also had no higher education, but he excelled in Arabic. As a poet he became a true intellectual in the Sartrean sense of the word. He established a trend in symbolism that has been emulated by many Arab poets to bypass the heavy censorship in that part of the world.

Following wide human rights abuse after the take-over by the murderous Al-Baath party in 1963, Al-Haidari left Iraq to his first exile in Beirut, where he edited the prestigious *Lebanese Knowledge Journal* and soon became the darling of the city's literary salons. He was awarded the prestigious Lebanese Writers' Union award in 1973. The savage Lebanese civil war forced him to flee Beirut in 1967, however, to a low-key life in Iraq, from where he was

forced to leave again in 1980 for London following Saddam Hussein's take-over of the Baath government and the beginning of a new dawn of terror.

Five years later Al-Haidari published his ninth collection, *My Greetings to Beirut*. For the last ten years he wrote little poetry, but earned his living writing for London-based Saudi publications. He also spent his time reciting his poems or charming visitors to the exhibitions of his wife, Dallal al-Mufti, a distinguished sculptor in her own right. He was active in political events as a founder member and vice-president of the Union of Iraqi Democrats, opposing Iraq's dictator Saddam Hussein.

Surprisingly the closing verses of Bulland Al-Haidari's last poem, which anticipated - almost invited - death, ended on a hopeful resonance for a peaceful future.

To the one rotting in jail:
It is time to go,
Time to go and recall
Where he lost his dreams
And his sleep.

O' how sweet to be re-incarnated as
dreams,
Dreams that help us forget
the resentment awaiting between
the bow and the arrow.

Adel Darwish

Bulland Al-Haidari, poet, artist, critic and political activist: born Baghdad 26 September 1926; married 1953 Dallal al-Mufti (one son); died London 6 August 1996.

1,000 songs. Presided over the Israeli army's entertainment troupes in the 1960s and 1970s.

Births, Marriages & Deaths

DEATHS

HEATON: The Rev Dr Eric William, peacefully in hospital in Oxford on 24 August 1996, aged 75 years. The funeral service will take place on Monday 5 September at 2.30pm, in Christ Church Cathedral, followed by interment. No flowers. Donations preferred please for Save the Children Fund (Go to Reeves & Pains, 285 Abingdon Road, Oxford OX1 4TE, (parking in the Meadow).

Announcements for Gazette BIRTHS, MARRIAGES & DEATHS should be sent to writing to the Gazette Editor, The Independent, 1 Canada Square, Canary Wharf, London E14 5DL, telephone 0171-293 2811 (24-hour answering machine 0171-293 2812) or faxed to 0171-293 2816, and are charged at 55p a line (VAT extra).

Forthcoming marriages

Major N. J. Casack RM and Miss M. E. Cole. The engagement is announced between Major Nicholas Casack, Royal Marines, youngest son of the late Surgeon Commander J. Casack, Royal Navy, and of Mrs J. Casack, and Melanie, eldest daughter of Mr and Mrs John Cole, of Perth, Western Australia.

Birthdays

Lord Attenborough, actor, producer and director, 75. **Professor Laing Barden**, Vice-Chancellor, University of Northumbria at Newcastle, 65. **Sir Julius Chan**, former prime minister, Papua New Guinea, 57. **Mr Robert Cornack**, former ambassador to Sweden, 61. **Dame Mary Donaldson**, former, and first woman Lord Mayor of London, 75. **Sir Nigel Foulkes**, former chairman, Civil Aviation Authority, 77. **Mr Elliott Gould**, actor, 58. **Mr Thom**

Gunn, poet, 67. **Mr Lemmy Henry**, comedian, 38. **Mr Marnadobule Hussey**, chairman of the BBC, 73. **Miss Angela Huth**, writer, 58. **Mr Michael Jackson**, singer, 38. **Lord King of Warrnambool**, president of British Airways, 78. **Mr John Mackenzie**, of Morriston, chairman, SEET plc, 71. **Mr Antony Newton MP**, Lord President of the Council, 59. **Mr Dennis Pinn**, former chairman, Alcan Aluminium, 82. **Mr Norman Platt**, former artistic director and founder of Kent Opera, 76. **Mr Greg Pope MP**, 36. **Sir Evelyn de Rothschild**, chairman, N.M. Rothschild & Sons, 65. **Mr Dick Spring**, Irish Minister for Foreign Affairs, 46.

Anniversaries

Births: Jean-Baptiste Colbert, statesman and founder of the French Navy, 1619; John Locke, philosopher, 1632; Raphael George Kiesewetter, 1877; Arthur Mitchell, painter, 1904. **The Rev William Archibald Spooner**, perpetrator of "Spoonerisms", 1930; Astrid, Queen Consort of the Belgians, in a road accident, 1935;

1780; Oliver Wendell Holmes, physician and writer, 1809; John Leech, caricaturist and illustrator, 1817; Maurice Polydore Marie-Bernard Maeterlinck, poet and playwright, 1862; Richard Gaddes, actor, first Baron Casey, statesman, 1890; Jack (Weldon Leo) Targarden, jazz musician, vocalist and bandleader, 1905; Ingrid Bergman, actress, 1915. **Deaths:** Alessio Baldovinetti, painter, 1499; Lajos II, King of Hungary, 1526; John Fletcher, playwright, 1625; John Lilburne, pamphleteer and reformer, leader of the "Levellers", 1657; Louis Couperin, composer, 1661; Edmund Hoyle, writer on card-playing, 1769; Joseph Wright (of Derby), painter, 1797; William Brockedon, painter, author and inventor, 1854; Christian Friedrich Schönbein, chemist, 1868; Frédéric-César David, composer, 1876; Brigham Young, Mormon leader, 1877; Arthur Mitchell, painter, 1904. **The Rev William Archibald Spooner**, perpetrator of "Spoonerisms", 1930; Astrid, Queen Consort of the Belgians, in a road accident, 1935;

Boris III, Tsar of Bulgaria, 1943; Cesare Pavese, novelist and translator, 1950; Vicki (Hedwig) Baum, novelist, 1940; Hazza El-Majali, prime minister of Jordan, assassinated 1960; Eamon de Valera, statesman, 1975; Ingrid Bergman, actress, 1982; Lee Marvin, actor, 1987; Mary Pearson Norton, children's author (of *The Borrowers*), 1992. **On this day:** the Spanish fleet was defeated by Edward III at Winchester, 1350; HMS *Royal George* sank off Spithead while at anchor, with the loss of over 900 lives, 1782; Michael Faraday discovered the induction of electric currents, 1831; the Factory Act, regulating the employment of children, was passed, 1833; the city of Melbourne, Australia, was founded, 1835; the Treaty of Nanking was signed, ending the Anglo-Chinese war, and agreeing the lease of the Hong Kong territories to Britain, 1842; the British army defeated the Boxers at Boazong, 1848; Royalist troops defeated and captured Garibaldi at the Battle of Aspromonte, 1862; the second Battle of Bull Run (American Civil War) started, 1862; the *Spring Times* published an "obituary" for English cricket, and first mentioned "the Ashes", 1882; the Rugby League (originally "Northern Union"), was formed from 21 clubs in the North of England, 1895; the 1936 Olympic Games opened at St Louis, Missouri, United States, 1904; the *Graf Zeppelin* completed its tour of the world, 1929; Simoon II became Tsar of Bulgaria under a Council of Regency, 1943; the Soviet Union exploded a hydrogen bomb, 1953. **Today is:** the Feast Day of St Edward of Cerne, St Medardus or Merry, St Sabina of Rome and the Beheading of John the Baptist.

Lectures

Tate Gallery: Jennifer Gordon, "Re-defining Sculpture: the work of Andre and Arshile Gorky", 1pm. **British Museum:** Anne Farrer, "20th-century Chinese Painting: the Shanghai school", 1.15pm. **National Gallery:** Richard Stemp, "Assumptions (v): Giovanni del

Ponts, The Ascension of Saint John the Evangelist, with Saints", 1pm.

The Very Rev Eric Evans There will be a Thanksgiving Service for the life and work of the late Very Rev Eric Evans KCVO, Dean of St Paul's, in St Paul's Cathedral on Monday 30 September 1996 at 5pm. If you wish to attend, application for tickets should be made by Friday 6 September, enclosing a stamped, addressed envelope, to Miss Penny Bowen, Events Co-ordinator, The Chapter House, St Paul's Cathedral, London EC4M 8AD. Telephone 0171-246 8318 or 0171-246 8304.

British Safety Council

Mr Ted Quigley, Member of the Board of Governors, British Safety Council, hosted a reception yesterday evening at the Amateurs' Hall, London EC2, to award Diplomas in Safety Management. Mr Tim Hooper and Mr Alan Smith also attended.

Appointments

Mr David Anderson, to be a member of the United Nations Law of the Sea Tribunal. **Mr John Joseph Patrick Powell**, to be a full-time Social Security and Child Support Commissioner. **Mr John Dawson Riley**, to be a full-time chairman of Social Security Appeal Tribunals, Medical Appeal Tribunals, Disability Appeal Tribunals and Child Support Appeal Tribunals. **Mr Phillip Roy Mackenzie**, to be a district judge, on the Midland and Oxford Circuit. **Mrs Anne Maize**, Mrs Ann Moore, Mr Alan Mayo-Smith, Colonel David Stevens, and Mr David Waddington, to be Deputy Lieutenants for the County of East Sussex.

Changing of the Guard The Household Cavalry Mounted Regiment mounts the Queen's Life Guard at Horse Guards, 11am.

السنة من الامتحان

the leader page

Child care needs a braver strategy than this

Whenever you hear a Tory government minister use the phrase "national strategy" you know one of two things. Either the Conservative Party has converted to collectivism, which is unlikely, or an election is not far off and ministers are out and about doing things. Like unveiling green papers on child care. Yesterday's effort is a poor thing, strong on exhortation but weak on imaginative understanding of the burden borne by working parents with children.

Child care is an arena where government should tread lightly. In it men and women are exploring new roles; surveys capture the continuing ambiguity of many women about leaving children to go out to work and the pressure of household finance which makes it necessary. Thus child care is where many of the dramas of domestic life are played out; also where the often selfish and uncaring face of corporate Britain shows most harshly. Better child care ought to mean more and better work opportunities for women and it is a political puzzle that women employees with young children should be as complacent as they appear to be when it comes to voting and responding to opinion pollsters on the issue.

Britain fares badly in most league tables on pre-school care and education outside the home. Surveys and anecdotal evidence confirm that, for many parents of young children, providing

somewhere for them to go safely during the day is an expensive headache. Yet the aggregate level of women's employment has been rising - women are now 45 per cent of the workforce. Some 80 per cent of the projected increase in the workforce over the next decade will be female. Although, compared with some other countries, a smaller percentage of single mothers work in Britain, it would be crass to say that the absence of child care has been a barrier to women entering work.

But of course that is only a part of the story. What is not so easily captured by the figures is what child-care difficulties do to women's careers, the way it forces mothers into part-time jobs, smothering ambition and sacrifices talent. Many women with small children lead Stakhanovite lives, diminishing their own well-being, and (there is some evidence here) jeopardising their marriages. For employers this is not just a "social cost" or, as the jargon has it, an externality. Under-performing mothers cost us all. The more productive employees, the better-off we all are. The more contented parents are, the better parents they are, and that too benefits us all.

The Government's response to that tale is a kind of hand-wringing hands-off. "I don't believe in a nanny state", said employment minister Cheryl Gillan yesterday, borrowing from page one of the Thatcherite book of aphor-

isms. But why then this green paper and vague promises of further action? The answer - while unseen by writers of economics textbooks and Tories of John Redwood's hue - is that employers won't play ball. To most of them how employees provide for their children is a private matter, a cost which must not be visited even proportionately on the firm. So, across a wide swathe of small and medium-sized British business employers do nothing to help working women and often fail as a result to get the best out of them. The take-up of the Government's tax incentives for workplace child care

has been poor. Government needs to act to try and fend off a national own-goal.

The Department for Education and Employment wants suggestions as to how. It needs to be told three things. One, there is no free lunch. More child-care places depend upon government's pump-priming. Tax relief may be less painless than public spending but has the same budgetary effect. Even the most hide-bound Treasury economic adviser can surely see that, over a relatively short period, government spending that boosts the productivity of the workforce and increases the numbers

available for productive employment will be matched by increased tax revenues.

Second, the priority group must be those families - often single-mother-led - moving from dependence on benefits into work. Recent evidence emphasises how crucial for them is access to child care that is not just affordable but the cost of which does not deepen the "poverty trap". Solutions are possible - perhaps some add-on to Family Credit - but they will require the closest co-operation inside Whitehall between DfEE and the Department of Social Security, let alone the Treasury.

But third, the Government has surely learnt from its abortive nursery vouchers scheme you cannot just wind up parents and expect safe and reliable child care to appear magically. The private sector alone will not produce the places - at least at prices affordable by parents in part-time and lower-paid employment.

The voluntary sector, likewise, can only do so much. The Government, so antagonistic in the past to local authorities, has to see that there will be a variety of local solutions. If certain local authorities wish to provide subsidised places that act of local choice should not be censured but encouraged - council places will appeal to some parents, but not to others.

In this sense the very opposite of a "national strategy" is needed. Child

care is best provided under a diversity of local strategies. There is, however, a case for a national strategy, except it needs to be much bigger and more radical than the present government seems willing to contemplate. This would involve rigorously reviewing the whole income tax and social security systems for their impact on parents and children, marriage and partnership, in order to make them fairer to those involved in bringing up society's next generation.

Past symbol of rural oppression

The political history of the hedge is mixed. As symbols of the countryside they once stood for oppression. The idea that they are part of our heritage would have infuriated the 19th-century countryman Richard Cobden. In his day hedges stood for the triumph of the enclosure movement, which drove cottager's livestock off the commons. Now conservationists see hedges as endangered habitats and the Government is to tighten the rules on cutting them down. So is the hedge left or right, green or black? Reactionary opponents of the Great Reform Bill of 1832 were nicknamed "hedgers and ditchers" - they said they would fight democracy even with their backs against the last hedge.



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LETTERS TO THE EDITOR

Law favours motorists far too much

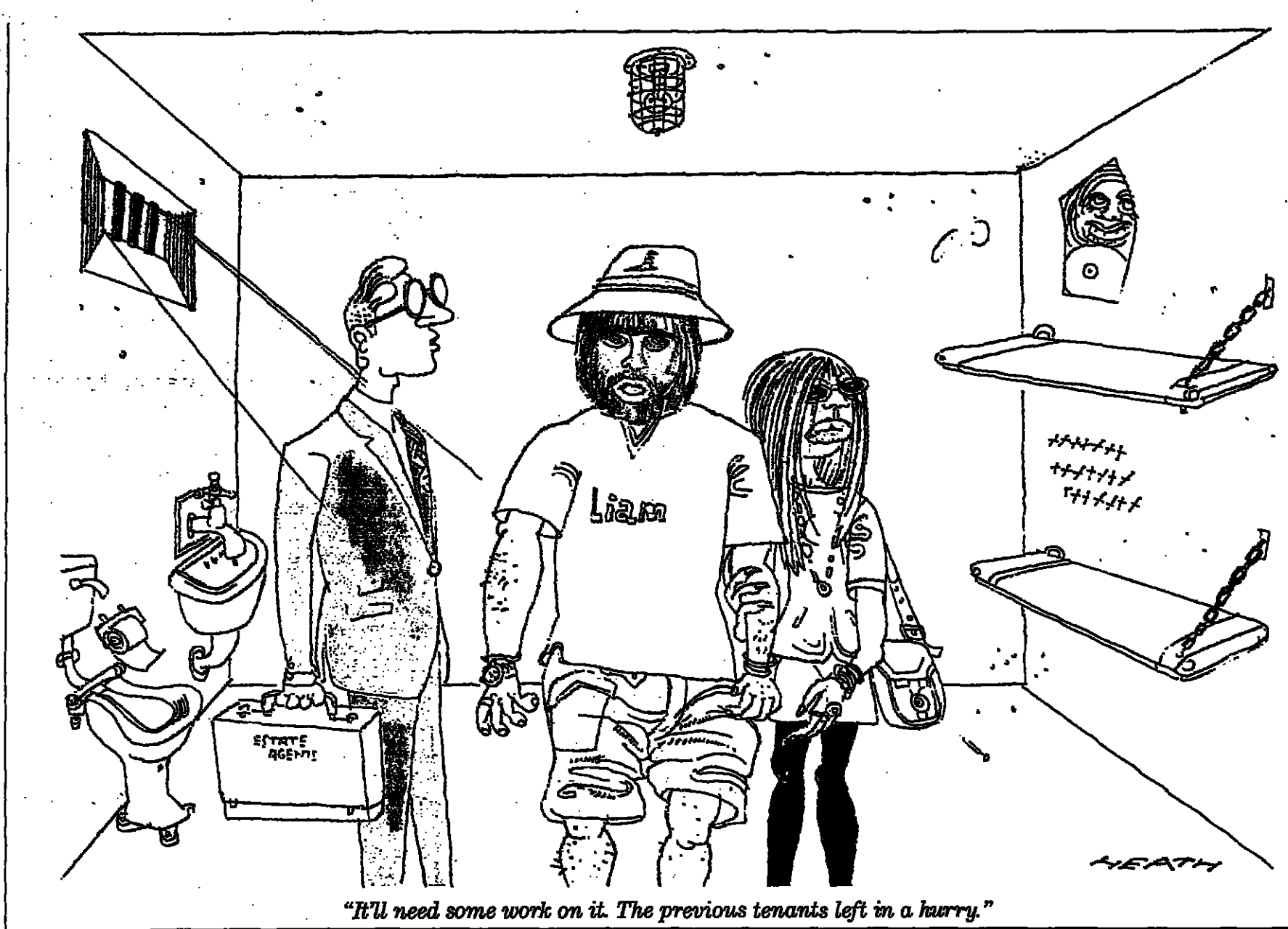
Sir: Every minute of every day, motorists cause massive obstruction of pedestrians and cyclists, to the extent that children are not allowed to walk the streets and most people consider cycling too hazardous.

What are the police doing about this infringement of people's rights? Well, this weekend in Brighton, supporters of Reclaim The Streets attempted to redress the balance a little, making a few streets more pedestrian- and cyclist-friendly for a few hours, and the police reacted by arresting 80 of them ("Significant Shortcuts", 26 August). The previous Saturday an extremely pedestrian-unfriendly crossroads near here was liberated from motorist inconsiderateness for three hours, and likewise the police were unresponsive, and added their bit to noise nuisance, air pollution and global warming by filming the liberators from a helicopter for two hours.

It is becoming clear to very large numbers of people that throughout the land the police are becoming part of the problem rather than part of the solution, working for the roads lobby rather than for the electorate. I call for the dismissal of those responsible for these misappropriations of taxpayers' money and their replacement by democratically and environmentally conscious authorities.

The whole point of government should be to supply that which the self-interested market cannot, not to exacerbate its effects.

ROBIN P M CLARKE
Moseley, Birmingham



"It'll need some work on it. The previous tenants left in a hurry."

Face the facts on tobacco addiction

Sir: Clive Turner of British-American Tobacco ("Won't give it up or can't give it up", 24 August) attempts to wriggle out of dealing with the reality of addiction to smoking tobacco.

The BMA, in its book *Help Your Patient Stop* (1988), suggests doctors avoid using the word "addiction" when advising patients about giving up smoking, simply and solely because the word has such a disheartening message about the power of the nicotine habit.

Addiction is not just a liking for something, nor even an abuse. It is a physical and/or psychological dependence on a substance or activity. While "addiction" to chocolate or sex may indeed be questionable, addiction to tobacco is a reality which kills millions every year.

DR VIVIENNE NATHANSON
Head of Science, Ethics and Policy Research
British Medical Association

Cut exam boards and end choice

Sir: The number of exam boards in England has been cut from 34 to four since the introduction of the GCSE examination ("Exam boards face streamlining", 28 August). Further reductions would eliminate choice completely - especially if the logic of Gillian Shephard's argument is extended to universities. With only one, we could be sure that everyone sits exactly the same examination nationally, having all taken exactly the same course.

And with one newspaper, we could be sure of consistency in the news we receive. A national water board, railway or airline would guarantee consistency too. Whether or not it would be consistently good is a different matter.

GEORGE R G TURNBULL
Associated Examining Board
Guildford

Dinghy danger to children

Sir: Deborah Jackson's article ("More lessons and lifeguards", August 24) about the dangers to children at British seaside resorts was timely, but omitted to mention what has become the most common of such perils.

For many years now, small inflatable dinghies, used at the water's edge, have posed the greatest potential danger to children. Skeneless inshore lifeboat is frequently called out several times a day to retrieve children drifting out to sea in their little rubber boats. They can provide lots of fun in sand-bound creeks but should not really be used on the open sea, and then only with a line held by a parent.

WINSTON KIME
Skegness, Lincolnshire

Cull the car

Sir: Mad Car Disease directly kills 500 times as many people as its bovine variant. Now that we know the additional damage being done by pollution, surely it is time to start culling these dangerous beasts. Where is the European Union when we need it?

SEAN WOODS
London SW8

Sir: As a serving police officer, I would like to point out to Bryan Murphy (letter 27 August) and to your readers that what the protesters in Brighton were doing was an offence: obstructing the highway. That places the people protesting outside the law and liable to arrest. I was not there and cannot comment on how the injuries were caused, but no doubt arresting was a contributory factor.

No matter how much we may disagree with a particular policy or law, no matter how frustrated we are about lack of progress towards the resolution of our grievance, no one should break the law. Politicians are there to change laws.

Constable D ALLAN SPENCER
Blackpool, Lancashire

Sir: Bryan Murphy (letter 27 August) tells us that "in Britain, fortunately, the police are not above the law". Obviously he has not read John Stalker's autobiography.

Geoffrey Bucknall
Bromley, Kent

Rape accused have rights too

Sir: It would be impossible not to sympathise with the anonymous correspondent (26 August) who says that she was attacked and raped at knife-point. It is, however, equally impossible to agree with her when she protests that her alleged attacker, who awaits trial, ought not to be allowed to defend himself in person and to cross-examine her.

As counsel who both defends

and prosecutes I agree that in the vast majority of cases a defendant is better off if represented at his trial, but there must be confidence reposed in the one by the other if counsel is to do his job properly. In any case it is likely that counsel will ask the same questions as would spring to the lips of the defendant.

Your correspondent is wrong to say that the defendant has rights but she has none. Her rights are protected by prosecuting counsel. To restrict cross-examination, whether by counsel or the accused in person, to prevent distress to the victim, must lead to injustice.

Unless and until a defendant is convicted he or she must be treated as innocent. The victim has the right to have her case put by the Crown through counsel. The defendant must not be denied the right to defend himself.

STANLEY BEST
London EC4

Costume drama all about women

Sir: Have John Lytle and David Benedict overlooked the true significance of the recent spate of costume dramas ("All Dressed Up for the Movies", 26 August)? Hardy and Jude apart, they are almost all by women about women's concerns and with heroines rather than heroes. Where once we used happily to swash a buckle we now only swish a bustle. Is this all yet another post-feminist ploy to take over the commanding heights of our autonomy?

JOHN C GRIFFITHS
Redbrook, Gwent

Airport shops are essential

Sir: Terence Conran argued ("What is an airport for", 17 August) that there was too much retailing at UK airports, disadvantaging the passenger. The sole aim, he asserted, was to make profits for BAA's shareholders instead of providing efficient passenger-handling facilities.

First, those profits are essential to BAA's ability to spend on providing the efficient, modern airports Conran rightly calls for. Last year alone it invested £450m in airport infrastructure; it is additionally committed to nearly £400m on an ultra-modern rail service from the centre of London to Heathrow.

It will, in summary, spend between now and the 21st century more than £1,500m on what is essential national transport infrastructure. In no other country in the world is this kind of infrastructure provided at no cost to the taxpayer.

Second, passengers want the shops. BAA interviews 400,000 passengers a year to establish what their views really are: 90 per cent want high-quality shopping facilities at airports.

Conran says that people come to the airport only to shop. This is nonsense. The overwhelming majority of shops are "airside" and it requires a plane ticket and passport to reach them.

Conran says retail takes up too much space. Wrong again. While the retailing may appear prominent

in the terminals, it occupies only 12 per cent of terminal space. You cannot serve 100 million people a year without momentary lapses and some complaint. But determined effort and generally good results are possible, and, we believe, achieved.

DES WILSON
Director, Corporate and Public Affairs, BAA
London SW2

Give India help on Test Ban

Sir: The Foreign Secretary, Malcolm Rifkind, is visiting India to press the Indian Government not to oppose the forwarding of the draft Comprehensive Test Ban Treaty to the UN General Assembly.

India's opposition to the current CTBT text is founded - rightly or wrongly - on its concern that the nuclear weapons states have yet to demonstrate their agreed commitment, as outlined in the nuclear Non-Proliferation Treaty, to the eventual abolition of all nuclear weapons.

Many countries, India included, will be particularly dismayed at the lack of progress on disarmament measures made by the medium-size nuclear powers - Britain, France and China.

Mr Rifkind could pull off a diplomatic coup on his visit to India by providing the Indian Government with assurances about Britain's intentions with respect to its nuclear arsenal, and thus hasten

India's acceptance of a Comprehensive Test Ban Treaty. In particular, Mr Rifkind should state specifically that Britain's Trident nuclear arsenal will be included in START III negotiations, and that Britain will support the creation of an *ad hoc* committee on disarmament at the UN Conference on Disarmament to discuss a Nuclear Weapons Convention, which would seek to control the fissile materials and dismantle the launch systems of nuclear weapons.

IANET BLOOMFIELD
Chair, CND, London N7

Back the Beeb

Sir: To further support Polly Toynbee's article ("We need the BBC and Auntie needs her friends", 27 August), yes we do. Moving into the 21st century, uncompromised impartiality is more vital than ever. Let's stop cheapening the BBC by asking it to hustle, and understand its true value - the ability to tell the truth.

COLIN PILKINGTON
London SW4

Sorry, Esther

Sir: Sentiment is compatible (and desirable) with factual TV programmes ("Rantzen's threat to BBC integrity", 26 August). Sentimentality is not, which is the reason why I watch *Panorama* but switch off *Esther Rantzen*.

ALISON LEAKEY
Welwyn Garden City, Hertfordshire

Internet retailing is not so easy

Sir: A number of points should be made before the total domination of the retail market by Internet-based services is to be believed ("Retailers are trying to hold back the Internet tide", 23 August).

As Nigel Cope rightly points out, World Wide Web-based shopfronts are highly suitable for some merchandise, particularly "soft" or digital merchandise. They are unsuitable for other merchandise, particularly commodities found in supermarkets - especially perishables.

The penetration of PCs into UK households, the last time I looked, was around 25 per cent, far too low to make supermarket retailing a reality.

The bandwidth available for those "wired" PCs is far too narrow to allow for the feature-rich displays that the average supermarket shopper is used to on the TV and too narrow for economic delivery of "soft" goods.

For the average order of four to five bags of goods, at current rates the delivery charge would surely be too much to bear. Quite apart from the above, people like to shop.

Where Mr Cope's argument is sustained, though, is in his suggestion that the retailers are running scared.

Perhaps the most pertinent question to put to retailers is: why haven't they grabbed the opportunity presented by Internet-based instore "kiosks" to extend the merchandise they can offer in smaller stores?

MARK NORMAN
Burwell, Cambridgeshire

Post letters to Letters to the Editor, and include a daytime telephone number.
(Fax: 0171-293 2056; e-mail: letters@independent.co.uk) Letters may be edited for length and clarity.

analysis

Russia's Lone Ranger

Alexander Lebed breaks jaws and makes bitter enemies. But if he makes peace in Chechnya he will be a hero and Boris Yeltsin's heir apparent. Dark forces, says Phil Reeves, are ranged against him

Not long ago, Alexander Lebed, who has a weakness for head-line-grabbing remarks, described his relationship with his new boss, Boris Yeltsin, in the following glowing terms. "He is a regular guy. I'm a regular guy. We get along."

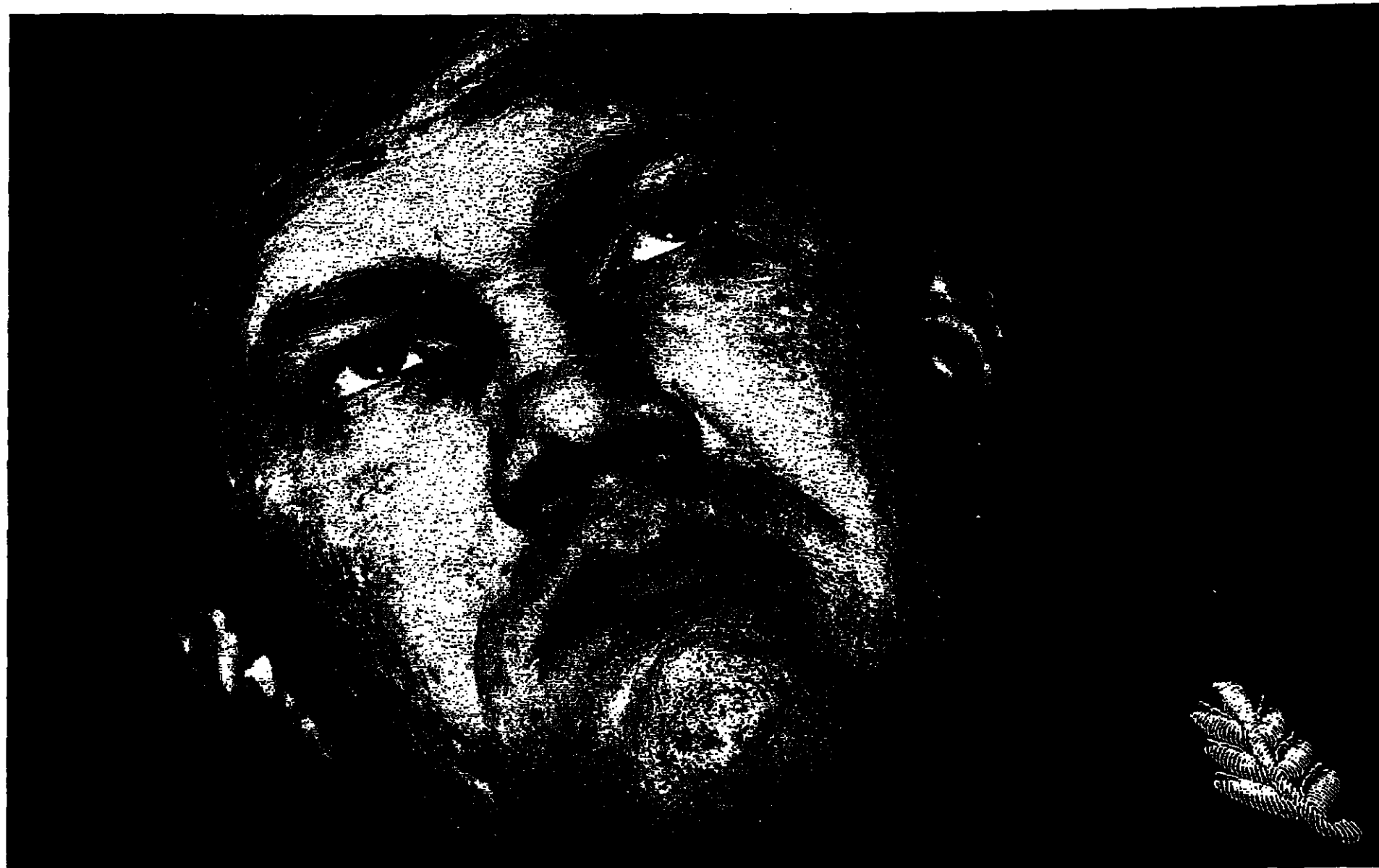
It was hardly surprising. The president had just swept the retired two-star general to the pinnacle of power in Russia. Like a tsar besotted with a new friend, Yeltsin heaped favours into the lap of his protégé, making him secretary of the Security Council and his national security adviser over night. "This is not just an appointment," the president enthused, as he posed with his new right-hand man in an ornate Kremlin office. "This is a union of two politicians."

Nearly 11 weeks on, the union appears to be falling apart. Everyone always knew that the main reason Yeltsin recruited Lebed was because he wanted to snap up the 10.7 million votes the general won (with secret Kremlin backing) in the first round of this summer's presidential election. But, for a while, he seemed genuinely smitten. He even hinted that Lebed was his choice for the next president.

No more. In the past few days, Yeltsin has slammed a door in the general's face by refusing his requests for a meeting to discuss a settlement in Chechnya. The president's aides say he is on holiday at a state country lodge near Moscow, where Leonid Brezhnev once hunted bears with Fidel Castro.

Ignoring Lebed's desires for a quick accord – vital in the Caucasus where there are so many unsettled scores – the president's staff said last night that Mr Yeltsin had finally examined a dossier on the crisis supplied by the general on Wednesday last week, and had issued instructions to "consolidate the peace process". But the two men had not met face to face and vital days had been lost.

Such is the apparent disdain with which the president has treated Lebed that the general had earlier suggested that it was jeopardising negotiations, snuffing out hope of an end to the war in the troubled Muslim



General Alexander Lebed: 'A country that claims to be a democratic state cannot settle ethnic problems using rockets and shells'

Photograph: Spooners

republic, where at least 35,000 people have been killed in the past 20 months. As refugees trickle back into Chechnya, rumours circulated that Lebed – who is prone to being hot-tempered and impulsive – was on the verge of quitting.

Although he seems unlikely to go ahead with that threat, it would be a disaster for Chechnya and Russia if he does. Just over three weeks after Chechen separatist fighters wrecked Boris Yeltsin's inauguration ceremony by storming into Grozny, Lebed has made surprising progress, despite pessimists who said (and still say) that the war is destined to grind on for ever.

The 46-year-old general has secured a military truce and has opened discussions on a long-term political settlement. Despite plentiful evidence that his relationship with Mr Yeltsin

has cooled sharply, he remains the Kremlin's best hope, and probably its only hope, of ending the carnage.

For a start, the rebels seem to like and trust him. They quickly warmed to his direct manner, and his open admission that the Kremlin is ensnared in a disastrous, corrupt and unwinnable war.

As the commander of airborne troops, he has experienced other separatist conflicts in Afghanistan, Georgia, Moldova, and Azerbaijan. The rebels also admired his courage. In contrast to the heavily armed entourages that surround most Russian commanders on visits to enemy territory, only three bodyguards accompanied Lebed on his initial meetings with the Chechen chief-of-staff, Aslan Maskhadov.

Yet recent events have made

it clear that the conflict has a larger dimension. Yeltsin's off-hand treatment of Lebed suggests that Chechnya has become a crucible in which the power-brokers in the Kremlin will forge their relationships with one another. Centre-stage

'A large number of enemies always makes a real man more attractive, and, of course, I have them'

stands the burly frame of Mr Lebed, the newcomer who is struggling to be heard.

Lebed, a former boxer with a broken nose, has long been fond of depicting himself as a sort of Russian Lone Ranger, single-handedly taking on the crude might of the system. His now scarcely available autobiography, *I am Embarrassed for the Nation*, is said to portray a hero who triumphs over a world populated by incompetent dolts, occasionally using brawn before brains. He proudly describes how he disciplined a group of 10 soldiers who had been carrying out a brutal initiation ceremony on new recruits in Afghanistan: he broke their jaws.

In Lebed's eyes, such exploits are all part of the self-styled persona of "a born winner". He is, he told the *Financial Times* recently, a "fatalist who is convinced that what is written at a man's birth will come to pass".

– in his case, power. But he faces a tough task if he is to carve himself a niche in the Kremlin, in the face of opposition from Mr Yeltsin himself.

For one thing, his power base is uncertain. He has not got the backing of a ministry.

interference with a war that many still want to settle by crushing the Chechens. Others, rolling in ill-gotten war profits, simply want to prolong it. He has also ruffled the feathers of three of the Kremlin's most powerful players: the president's chief-of-staff, Anatoly Chubais; the interior minister, Anatoly Kulikov; and the prime minister, Viktor Chernomyrdin.

Mr Yeltsin's current tactic may be intended to show the upstart Lebed that Mr Chernomyrdin is now the favoured heir.

Nor has Lebed any significant political party behind him to defend his corner. His three titles – Security Council Secretary, national security adviser, and presidential envoy to Chechnya – can be taken away by Mr Yeltsin as suddenly as he bestowed them. The general's strength resides in his popular-

ity and, more importantly, in the media, which he is cultivating with all the zeal of a Hollywood PR agent.

Although he tries to depict himself as a plain-speaking soldier – a Kent from King Lear, a Ross Perot with pips – his limelight-grabbing instincts belong more to a wily courtier. If anything, he has improved his publicity skills in the past few years, despite several gaffes which opened the lid on the darker side of his brand of patriotism. The worst of these came shortly after his arrival in office, when he described Mormons as "mould and scum" and made a slighting reference to Jews – remarks for which he apologised after an outcry that reached as far as the US White House.

He loves to perform for

interviewers. Holding a Camel cigarette aloft in a long cigarette holder, he lowers his diffident forehead and switches on a long unblinking stare. His victim tamed, he begins to rumble forth in a voice so low that you feel like poking him on the lapel and asking him to speak properly.

"The Soviet Union died," he told me shortly before his meteoric rise. "The person who is not sorry about its destruction has no heart. But the person who dreams of restoring it has no brains."

Such neat bursts of proverbial wisdom have won him friends among the Russian press. They rarely return from an encounter with Mr Lebed without a good story backed up by pithy, and often surprisingly witty quotes, and a stock of historical parallels – from Stalin, to Churchill, to Northern Ireland.

The relatives of Chechens who had been killed during the war were "wolves", willing to fight to the death, he told a hall full of journalists. "No army in the world can win a war against such people," he declared. "A country that claims to be a democratic state cannot settle ethnic problems using rockets and shells."

But, he boasted, given the chance, he could solve the conflict in "20-25 minutes". In the same speech, he referred to the deportation by Stalin of the entire Chechen nation to Siberia and Central Asia in 1944. The Chechens were pleased. And the Moscow newspapers were impressed.

Most of them have applauded his peace initiative; this week *Kommersant* declared him to be the "bravest politician and general in Russia".

The accolade reflects the undercurrent of popular support that Lebed enjoys in Russia – despite anger among the army's and interior ministry's old guard. If he pulls off the peace talks (despite Boris Yeltsin's sluggish unco-operativeness), he will be a national hero in a country that is heartily sick of seeing its young men slaughtered for nothing. He will also become the clear favourite for the presidency.

No one will care a jot that his politics are still somewhat foggy and that his commitment to democracy is uncertain. We know he is relaxed about Nato expansion, passionate about military reform and law and order, and an advocate of pragmatic "common sense" nationalism. He has persistently warned that Russia is on the verge of a social revolt, and appears to believe that the way to avert this is by restoring order by making government departments answerable to a powerful autonomous structure – his own Security Council.

"Power," he remarks, "can only be seized." For the time being he is playing a heroic role, which Mr Yeltsin is failing adequately to support. But that does not make him a regular guy.

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Fat ladies and Fringe activities

I'm sorry to mention the Edinburgh Fringe again, but when you're here, the real world does seem a long way away. Even when you are in the real Edinburgh, life takes on a sort of Fringe overtone.

For instance, I was pedalling through the Grass Market the other day when I noticed a wonderful-looking cook-book shop, and I remembered that when I was last living in Notting Hill there had been a wonderful-looking cook-book shop in Bleasheim Crescent run by a larger-than-life woman called Clarissa Dixon-Wright. The reason I remembered it so well was that it was right opposite the Travel Bookshop, where my daughter, Sophie, worked for a long while. I also remembered that the last time I met Jennifer Paterson, the affably eccentric cook who rides round London on a motor bike, she had said that Clarissa Dixon-Wright had transplanted to Edinburgh. So I got off my bike and went in and there, sure enough, was Clarissa Dixon-Wright who greeted me with

chortles and cries of welcome, to the extent that she agreed to put up a poster for our show, *The Death of Tchaikovsky* – a *Sherlock Holmes* Mystery. That this was not just a gesture was proved a moment later when two men came in asking if they could put up their posters for their show.

"Let's see them," said Clarissa.

They showed her two quite decent posters for a WB Yeats play evening.

"No, don't like it," she said, and they retired, looking most unimpressed.

"You don't take many posters, then?" I asked.

"My dear, if I put up every poster I was offered, I wouldn't have a shop," she said firmly.

"By the way," I said, "do you remember Sophie from the Travel Bookshop?"

"Yes, indeed!" she said. "We were great chums. I wonder how she is."

"She's having a baby in December."

"How wonderful! But how do you know?"



Miles Kingston

"She's my daughter."

"Good heavens! How wonderful I had no idea! ... Gosh, you look bronzed, dear!"

This, not to me, but to the window cleaner who had just appeared and was carefully cleaning round the few posters that had been allowed to go up. He did indeed look as brown as a coffee bean. "Aye, well, I've been off for two weeks working as a ski instructor."

"Abroad?" I said.

"No, here in Edinburgh."

"They've got one of the world's best dry-ski slopes here," said Clarissa.

"Have they really?" said another customer, who had been listening to all this.

"Gosh, I've been looking for somewhere to do some summer skiing. Tell me more ..."

A moment later he and the window cleaner had retired to a corner to swap each other's intimate details, while Clarissa had proudly produced a TV publicity card headlined "BIGGER THAN KEITH FLOYD!"

"Has Jennifer told you that we are making a TV cookery programme together?" she said. "It's going to be called *Two Fat Ladies*. It's coming out this autumn. We've had terrific fun shooting it. We've been going round on a motor bike and side-car together. So far it hasn't buckled under the strain."

It is true that neither Clarissa nor Jennifer is exactly a wall. That is why the programme is called *Two Fat Ladies*. That is also why the publicity on the card read: "Bigger than Rick Stein! Bigger than Rick Stein! Bigger than Rick Stein! No danger of being sued under the Trades Description Act there."

Now, the whole point of that little four-part conversation is that although the Fringe was nowhere really mentioned, it was a very Fringe conversation, because it is at the Edinburgh Fringe that you keep bumping into the most unlikely people and things and not being surprised by it at all. And where else would you meet a window cleaner who also taught skiing? But he is not the only man here with dual jobs.

A few days later I was in perhaps the nicest shop in Edinburgh, the Gramophone Emporium in St Stephen's Street, a treasure house of old 78s and LPs, which is run by a young man called Neil with an encyclopaedic knowledge of jazz records. As it opens only one and a half days a week, I asked him curiously what he did the rest of the week. "Oh, I work part-time at Aztec, the Latin-American shop in Victoria Street," he said, "and I also teach Gaelic at a music school called St Mary's."

I challenge anyone to come up with a wilder threesome of jobs. Outside Fringe time, anyway.

John
WALSH

Please do not ask me about Koo Stark. I have absolutely nothing further to disclose

of mentholypus tunes, bafflingly acquired card from telephone booth bearing legend, "Large Oriental chest for sale phone



Rod Steiger, the brilliant actor with the threatening yap and staring eyes, was in London this week, doing some filming for a new movie called *Incognito*. It's about an art forgery which is wholly appropriate

Steiger is now back in the US, auditioning portrait painters to immortalise himself and his young family. "Sort of Graham Sutherland with a softer edge," is the kind of thing he's looking for, should you have your box of acrylics handy.

abusers – a small point but one that is invariably ignored.

What is clear is that the sexual abuse of children currently enthralls the world. Abuse stories that would once have been passed over are now inflated to run alongside the big horror stories like Dutroux. Knowing this, Calvin Klein can dabble with paedophilia images to generate publicity for his horrible clothes and illiterate ads can creep out of the closets, where they have hidden since the Fifties, to damn *Lolita*, one of the great works



phenomenon. But, in some form, it happens everywhere. What is noticeable, whenever it occurs, is that the idea of the child is held up as a shining light beyond the practicalities of politics. Neither in her speeches nor in her sentimental writings has Mrs Clinton anything of substance, use or meaning to say about the care, education or protection of children. Equally, when our own leaders kick babies during election campaigns, the culture is entirely devoid of practical content. All any of these people are saying is yes, we too worship at the shrine of the child.

For those who think that Rikki Lake, Gerald, Oprah Winfrey and our own dear *Eisler Rantzen* are deep, this is fine. For the rest of us, it is

out to have been infantilised – what's the point? Children will grow up to be children. For the truth is that worshipping children as the future is another way of saying that we have no faith, no confidence, no belief, no confidence, no belief in the present. The worship of the child is an admission of political failure.

Next paedophilia. I am prepared to bet – I cannot lose, since there is no way out – that there will be more child abuse today than there was 100 years ago. The one difference – is that cheap global travel and communications systems such as the Internet make such systematisation of abuse easier.

Maybe that has resulted in some increase in the overall numbers, but I doubt it. In any case, *such systems also help with the detection of child*

of art of the past 50 years.

I have written before about the way this hypersensitivity to any sexual threat to our children feeds our general contemporary sense of the world as a landscape of limitless, incalculable risk. But why this particular risk? Why have we fastened on to child abuse as the defining evil of our day?

The answer is obvious. Just as a moral, intellectual and cultural vacuum obliges politicians to adopt the child as the only absolute good, so it obliges everybody else to adopt the abuse of the child as the only absolute evil. Look at how social workers became obsessed with Satanic child abuse—dressing up this evil, borrowing the imagery of religion to make it as foul as possible.

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A high-contrast, black and white illustration of a young child standing on a classical pedestal. The child, with short hair and a neutral expression, is dressed in a short-sleeved shirt and trousers. They stand atop a pedestal featuring a fluted base and a capital with prominent scrolls. The background is dark and textured, suggesting a night scene or a cave. The overall style is reminiscent of a woodcut or a high-contrast photograph.

Child abuse was all they had. There was nothing else on which they could all agree to vent their sense of evil and which they knew would inflame ours. It worked. Perhaps we have dropped the horns and cloaks out of embarrassment. But the sheer intensity of our interest and concern makes the same point - this crime, above all others, fulfils our need for evil.

An undue obsession with children, as focus of good or occasionally for evil, is infantile.

It is a symptom of a society that cannot grow up. Of course children should be cared for and child abusers hunted down and prosecuted. But to become obsessed with these processes indicates that we are not confident we can do either, that there is something so wrong with the present that we must flee to the future we imagine to be embodied in our children. They will not thank us because children, unlike their parents, still believe in growing up.

foot movements, well-fitted blockaded shoes and several yards of evening pleated fabric. If ballet is mostly French in origin, why do we associate it with Russia? Although obliged to import its earliest dance teachers from France, Russia soon made up for lost time with Tchaikovsky and Marius Petipa (another Frenchman) creating works such as *Sleeping Beauty* and *Swan Lake*, which have survived substantially unchanged to the present day.

The pre-eminence of Russian ballet in the popular imagination today, thanks to Petipa (and his collaborator Lev Ivanov) but mostly due to the impresario Sergei Diaghilev, who hired some of St Petersburg's finest to form an international touring company in 1909. The popular success and enormous influence of Les Ballets Russes were largely thanks to Diaghilev's unerring ability to cherry-pick the creative forces of the age. His taste and judgement led to a mastery fusion of the contemporary arts, fashionably decadent visuals by Benois and Bakst, modern music from Stravinsky, and transcendent performances by Nijinsky, Pavlova and Karsavina. Every one of these singular talents was to quit Russia for good in the creative diaspora that followed the revolution.



VISITING LECTURER: Louise Levene

A final examination will be set at the end of term. All graduates will be awarded a diploma and the ten best results will receive a year's subscription to the Independent



Ballet's popularity with ordinary citizens and commissars alike ensured its survival, but although the classics were treasured, new choreography, cut off from international stimulus, either stagnated or developed along harsh Soviet lines. The dearth of creative talent was masked by the fine dancers still being produced in numbers that astonished Western audiences when the Bolshoi and Kirov began touring abroad with dancers like Ulanova, Nureyev, Makarova, Sadler-Lewis, and the Soviet prima, Nijinska. Asylmaratova, inevitably a shortage of red meat and fresh ballets led many of them to defect to the West.

Britain had long been used to regarding ballet as a foreign import and any home-grown talents modified their names accordingly: Hilda Boot became Hilda Bultova; Hilda Munnings, Lydia Sokolova; Peggy Hookham, Margot Fonteyne. Britain did not evolve a native ballet until a former Diaghilev dancer called Ninette de Valois (real name Edris Stannus) set up her Academy of Choreographic Art in 1926, an enterprise that by 1956 had become known as the Royal Ballet.

Just as Russian ballet had grafted native folk traditions on to the basic classical technique, De Valois rooted British ballet in national

dance (the Royal Ballet has its own morris-dancing outfit to boot this day). De Valois thus laid the foundation for the characteristic English style of neat, fleet footwork enshrined in the works of Frederick Ashton.

Meanwhile, across the Atlantic, George Balanchine, who left Russia in 1924, was discovering the lean, rangy bodies of American dancers and the jazzy perfections of Broadway and incorporating these elements in the neoclassical style he forged for his adopted country.

Although all ballet companies try to preserve a national style their programming is often depressingly similar. The core repertoire of 19th century classics is usually mixed with more modern, often plotless works. Twentieth century ballet may have addressed everything, from gang rap to the Holocaust (and that's just Kenneth MacMillan), but ballet can only tell very simple stories. Ballet-haters often complain that the fair-tale plots are silly. They forget that there are only so many relationships you can get across without saying a word — as Balanchine once remarked: "There are no mothers-in-law in ballet". Plots are necessarily simple but eternal: boy meets woman, boy loses woman, boy gets woman.

Tomorrow: Myth

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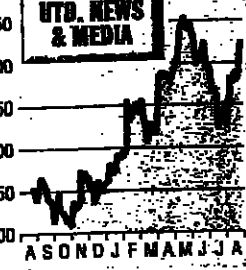
market report/shares

DATA BANK

FT-SE 100
3918.7 +13.0
FT-SE 250
4437.8 +9.5
FT-SE 350
1960.5 +6.0
SEAO VOLUME
623.9m shares,
37,157 bargains
Gills Index
92.79 -0.02

SHARE SPOTLIGHT

share price, pence



Investors pay premium for a pinta from Dairy Crest

Dairy Crest made a top-of-the-morning stock market debut. Priced at 155p the shares floated to 196.5p, comfortably ahead of the most optimistic expectations.

The rousing reception accorded the milkmen prompted speculation of a stake-building exercise. The near-21 million turnover included some lumpy deals and in the excitement it would not have been difficult to build a strategic interest.

However, the shares have benefited from a swing in sentiment in the market and the milk industry since the pinta issue was priced at the start of August. Then the FT-SE 100 index was, at best, just showing the first signs of starting its record-breaking run which continued yesterday, with Footsie climbing 13 points to a 3,918.7 peak.

And last week the Office of Fair Trading improved the trading climate for the milk

companies by winning promises from Milk Marque to modify its pricing system.

Even before such changes Dairy Crest was competitively priced; rated lower than Northern Foods or Unigate.

So a milkery launch was expected. Most dealers were looking for around 175p - a price too low to even contemplate in the rush following the opening bell.

The scramble will be appreciated by the 28,000 farmers, eligible for a handout worth some £6,000 each, mostly in shares, when the former marketing arm of the disbanded Milk Marketing Board priced its shares for flotation.

The rest of the market remained confident as some big players, returning from their holidays, helped sentiment by alighting on shares that have failed to keep up with the herd in the August race.

However worries about the



MARKET REPORT

DEREK PAIN

Stock market reporter of the year

new Sequence computerised system continued to torment some dealers. There were apparent examples of trades being misrecorded and it was widely assumed that the reported volume - 623.9 million - was overstated.

The supporting FT-SE 250 index kept up its bounding run - gaining 9.5 to 4,437.8. It was the 20th consecutive plus - a winning streak last achieved in the summer of 1993.

A successful government stocks auction, better-than-expected trade figures, lower interest rate hopes and renewed takeover speculation kept the market on the upswing. Lloyds Abbey Life caught the

imagination, jumping 32p to 593p as the market latched on to the possibility Prudential Corporation might be tempted to splash out following the sale of its Mercantile & General reinsurance business.

However any deal would need the approval of Lloyds TSB with 62.6 per cent of the shares. And Lloyds could be reluctant to surrender such an important outlet to a rival.

Hambros, the merchant bank, rose 9p to 266.5p, a year's high. Its quoted Hambro Countrywide estate agency chain is due to report interim figures today. Its shares have moved ahead strongly on hopes it will be a big beneficiary

of the housing revival. But as the market closed it became apparent activity: Regent Pacific, a Far Eastern group, has quietly put together a 3 per cent shareholding.

United News & Media climbed 17.5p to 722.5p, reflecting the heightened tension in the media industry and its decision to sell some of its local newspapers.

Allied Domecq, up 15p to 466.5p, was the best performing blue chip, reflecting break-up hopes following the proposed sale of its remaining brewing interests. Peter Lucas at Credit Lyonnais Laing said: "The carrot of further action through demerger should support the shares for the short-term."

Bass, which would recapture top brewing spot if the Allied deal goes through, gained 5p to 843.5p. Whitebread's Pelican restaurants acquisition is expected to get

Whitehall clearance, a possibility that helped the shares 4.5p higher to 728.5p.

Zeneca, up 17p to 1,520p, got another whirl on reported Goldman Sachs support and renewed speculation about the cash resources of Roche, the giant Swiss group tipped to bid. Utilities were ruffled by reports the Labour Party is due to provide details of its "wind-fall" tax today. National Grid lost 3.5p to 177.5p.

General Electric Co., engulfed in the furore over George Simpson's pay packet, fell 5.5p to 391p. Salomon Brothers believe the shares are worth 340p.

First Information, a software developer, crashed 67.5p to 100p on a downbeat trading statement which spoke of a possible bid. Firecrest, the Internet group, said Camelot Corporation had sold its 10.5 per cent stake. The shares were up 5p to 59p.

TAKING STOCK

Hanover International, the hotel group being created by Peter Eyles, former chief of the Norfolk Capital hotel chain, returned to market following the acquisition of six hotels for £40m. The shares, suspended at 150p, traded at 130p against the 124p at which they were placed to help fund the deal.

The six hotels were owned by an arm of Compagnie Bancaire, which repossessed the properties during the recession. Before the takeover Hanover, which came to market last year, had just one hotel, the Imperial at Cork.

John Tams, the dinnerware and mugs group, shaded to 59p, although Greg Middleton rates the shares, yielding 8.2 per cent, a buy. It sees profit climbing to £1.6m this year and just over £2m next.

Share Price Data

Prices are in sterling except where stated. The yield is last year's dividend, grossed up by 20 per cent, as a percentage of the share price. The price/earnings ratio is the share price divided by last year's earnings per share, excluding exceptional items. Other details: 1 for rights; 2 for dividend; 3 for all United Securities Market a Suspended on Parity; 4 for NI Paid Shares; 5 for AM Shares. Source: FT Information

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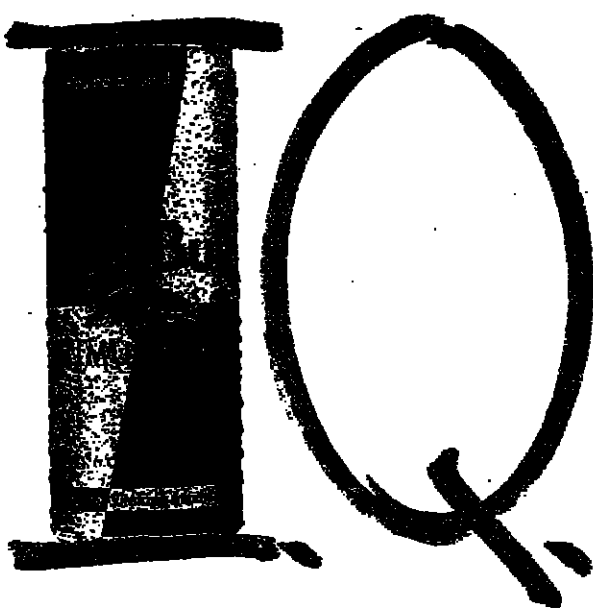
Call cost 50p per minute (cheap rate), and 40p at all other times. Call charges include VAT.

Market leaders: Top 20 volumes

Stock	Volume	Stock	Volume	Stock	Volume
Thorn	80000	Harcon	80000	British Steel	40000
BT	80000	Reliance	70000	BAE Systems	40000
Lloyds	80000	British Gas	60000	Smith (M)	40000
British Telecom	80000	British Airways	40000	Wingon	40000
British Energy	80000	BT	80000	British Airways	40000

FT-SE 100 index hour by hour

Open 3908.6 up 2.9	11.00 3918.7 up 10.3
9.00 3908.6 up 2.9	12.00 3918.7 up 10.3
10.00 3908.6 up 2.9	13.00 3918.7 up 10.3
	Close 3918.7 up 10.3



Alcoholic Beverages	Banking	Chemicals	Construction	Diversified	Engineering	Food	Health	Insurance	Investment	Leisure	Media	Oil	Pharmaceuticals	Printing	Real Estate	Retail	Services	Telecommunications	Transport	Utilities
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Fat cats row: Institute of Directors head says opposition to GEC chief's five-year package is totally unjustified

Greenbury man backs Simpson's £10m pay

PATRICK TOOHER

The row over "fat cat" salaries escalated last night when a leading member of the Greenbury committee set to curb excessive executive pay defended a controversial package that could net new GEC chief executive George Simpson £10m over the next five years.

Tim Melville-Ross, director-general of the Institute of Directors, described the hostile reaction of most institutional investors, shareholders' groups and opposition politicians to the deal as "totally unjustified".

"Very few people are capable of doing that kind of job," he said. "They are in much shorter supply than football stars and people don't have a problem with people who play for Manchester United so why should they have a problem paying a great deal of money to someone who is going to run a very large organisation, create thousands of jobs and boost British industry?"

His remarks are bound to cause embarrassment as the Greenbury committee he sat on specifically urged remuneration committees "to be sensitive to the wider scene, including pay and employment conditions elsewhere in the company, especially when determining annual salary increases".

Mr Melville-Ross's outburst in a BBC radio interview last night came as GEC braced down to see out a storm of criticism that descended on the electronics giant after it emerged that Mr Simpson is set to become one of the highest paid directors in the land when he takes over from Lord Weinstock to begin his three year contract in a fortnight's time.

"You may as well simply give somebody a bag of cash," said Anne Simpson of PIRC, the pay and pensions consultancy.

Included in Mr Simpson's package are a "golden hello" of £500,000 on joining to compensate for leaving the incentive scheme at his previous employer, engineering and aerospace group Lucas, and a profit-related bonus of up to 50 per cent on his basic salary of £200,000, dependent on "certain reasonable performance criteria to be agreed", his service contract states.

But the strongest complaints were reserved for a complicated share options grant based on £4.8m of shares - or eight times Mr Simpson's annual salary. The options can be exercised as long as GEC's share price beats the FTSE 100 average by 10 per cent in any six months within a specified three year period.

"There is no point in having a performance criterion which is such a low hurdle you can hop over it at almost any point in the company's programme," said Ms Simpson.

Her criticisms were echoed by Donald Butcher, chairman of the UK Shareholders Association, an independent body that lobbies for greater investor rights. "This gigantic package appears to fly in the face of the guidelines set by pay review bodies."

"From first impressions the performance requirements seem laughable," he said.

The Association of British Insurers confirmed it would examine the full details of the package to see if it breached its guidelines on share incentive schemes but said it was too early to say whether it did.

Others expressed concern about GEC's lack of consultation with shareholders about Mr Simpson's pay package. "It is very unfortunate it was not possible to disclose the package at the time of the annual report," fumed one leading fund manager.

Adding to this sense of impotent rage, investors will be unable to vote on the scheme at GEC's annual meeting on 6 September. They can only approve Mr Simpson's appointment to the board.

However, institutions accepted they had made a rod for their own backs by insisting GEC looked outside for a successor to Lord Weinstock - obliging them to pay the going market rate.

"We recognise the importance of companies being flexible when it comes to rewarding new executives," a leading investor said.

The City was cautious, marking GEC's shares down 5.5p to 385.5p.



Troubled waters: George Simpson's £10m package, which includes a 'golden hello' of £500,000, has caused a stir

Photograph: Financial Times

Loss of £195m in WH Smith shake-up

NIGEL COPE

WH Smith confirmed its worst figures in its 204-year history yesterday and warned a recovery would take time. Reporting a pre-tax loss of £195m in the year to June due to heavy restructuring charges, new chief executive Bill Cockburn said current trading was "patchy".

Striving sales of books, papers, magazines and stationery products have been held back by weaker performance from music, videos and computer games which have been affected by fewer quality releases.

Mr Cockburn said that the Euro '96 football championships had not helped, robbing the shops of valuable trade on two Saturdays. The company also announced that Simon Burke, managing director of Smith's Virgin Our Price subsidiary, was leaving the group to run Virgin's retail and cinema business world-wide.

WH Smith's main problem remains its core high-street chain where profits fell 27 per cent on sales just 2 per cent higher.

Mr Cockburn, who joined the company from the Post Office in January, maintained that WH Smith still had a good future in the UK high streets and would survive the onslaught from supermarkets and specialist retailers.

"Our brand name is instantly recognisable and I think it's got a lot of puff left in it. There is no evidence that the supermarkets are taking us to the cleaners."

The figures received a cautious welcome in the City with most analysts saying the jury was still out on the prospects for a WH Smith revival.

WH Smith recorded a pre-tax loss of £195m in the year to June compared with a £115m profit in the previous year. Group sales on continuing operations were marginally ahead at £2.7bn. The figures were scarred by £283m of exceptional items which were announced in June.

These related to the disposal of its half-share in the Do It All DIY chain to Bools, the cost of 400 redundancies, stock write-offs and other asset write-downs.

WH Smith retail saw profits fall from £65m to £47.6m on sales of £927m. Like-for-like sales were up by just 2 per cent.

Virgin Our Price increased profits from £11m to £16m following the opening of 20 new Virgin Megastores. Waterstones, the booksellers, increased profits by almost 50 per cent to £12.8m.

Investment in The Wall, the US music chain, will be suspended until an expected shake-up of the sector takes place. WH Smith shares fell 5.5p to 414p.

Comment, page 19

Hanson faces £95m bill for breaking up

TOM STEVENSON
City Editor

The break-up of Hanson into four separately quoted businesses will cost Lord Hanson's conglomerate £95m in professional fees it emerged yesterday. The posting of demerger documents to shareholders confirmed what analysts have expected for some time - the total dividend will fall by about a third after the split.

Christopher Collins, vice-chairman of Hanson, said investment banks stood to receive about £20m of the total. The group had previously said the professional fees involved in the four-way split would be "containable" thanks to the in-house expertise it had built up over 30 years of hostile takeovers.

Hanson's main adviser is NM Rothschild. The spin-off of tobacco arm Imperial is being handled by Schroders and ABN Amro Hoare Govett, while the

demerger of Millennium, the chemicals business, is in the hands of Goldman Sachs, Paine Webber and Merrill Lynch. Next year Cazenove, Morgan Stanley and Lazards will share the fees for the splitting of the Energy division from the rump building material operations.

There were no surprises on the proposed dividend payments by Imperial and Millennium and Hanson's shares slipped just 1p to 161p yesterday. Imperial said it would have paid the equivalent of 2p per share had it been dependent in the current financial year. Millennium, which will be quoted only in New York, said its dividend would be about 0.55p per share.

The numbers confirmed analysts' beliefs that the 12p payout received last year by Hanson shareholders would be reduced to between 6p and 8p after the split. The prospect of falling income has been one of

the main reasons for the sharp underperformance of Hanson shares since the demerger was first mooted in January. Since the announcement of the proposed split, Hanson's shares have fallen from a high of 211.5p, underperforming the market by almost a third.

Analysts' first reading of the hefty documents was encouraging, with most thinking both Imperial and Millennium were likely to prove solid investments.

Shareholders will be asked to approve the first two demergers at an extraordinary meeting on 25 September, with first dealings in Imperial in London on 1 October and New York trading of Millennium starting the following day.

Imperial said it would be focusing on overseas expansion and hoped to generate a quarter of its sales from foreign markets compared with about half as much currently. In the nine



Lord Hanson: no surprises over dividend payments

months to September the tobacco company made profits of £270m from sales of £2.8bn. Hanson shareholders will receive one new Imperial share for every 10 Hanson held.

Millennium, in which Hanson shareholders will receive one new share for every 70 held, said it planned to pay a low dividend in the short term to enable it to focus on long-term investment and pay down debts of about £2bn (£1.28bn). In 1995 it made profits of \$842m.

Comment, page 19

Widening rift over 'blue skies' threatens BA deal

CHRIS GODSMARK
Business Correspondent

The US Government yesterday cast a further shadow over the planned alliance between British Airways and American Airlines, after officials intimated that the breakdown in UK-US talks aimed at securing an open skies agreement could be permanent.

The latest round of negotiations, due to start in Washington yesterday, were postponed by the US team, who said a draft agreement drawn up by the UK Department of Transport was "miles away from a true open skies" deal.

Yesterday the US insisted talks could not resume unless Britain substantially shifted its negotiating stance. "The ball is in their court," senior officials said. "This is not just a negotiating tactic. At the moment we are miles apart. We are on two different wavelengths," they added.

The open skies talks are aimed at liberalising airline traffic between the US and UK, which is tightly controlled under a bilateral treaty dating from the 1970s. The US has said it will not give the BA-American tie-up regulatory approval unless a deal is agreed, opening up access to Heathrow Airport, the world's busiest.

Today BA's chief executive, Bob Ayling, is expected to back the UK government's position, telling an industry conference in London that an agreement is still achievable, even with a step by step approach rather than the bonfire of controls advocated by the Americans.

BA's official position is that the breakdown is "temporary" and "some complications were inevitable". However, the two companies, which would jointly control 60 per cent of UK-US flights, have insisted they must get regulatory approval by November to be ready to start combined services from next April.

Yesterday's planned talks, at the suggestion of the British team, were due to discuss a mechanism to settle disputes over possible abuses of competition. US negotiators claimed the proposals, which ran into several pages including a detailed blueprint for a dispute resolution board, amounted to a side issue "of interest to the British, not to us".

The US insisted an open skies agreement must embody similar principles to the deal agreed with Germany earlier this year, with no Government interference over ticket prices or services. The US has also agreed such deals with the Netherlands and Canada.

Apart from the dispute resolution panel there are understood to be "many" other areas of contention. The main disagreement is over the issue of so-called "beyond rights" giving US carriers the ability to fly on from Heathrow or Gatwick to other European cities.

Investor attacks Hambros

PETER RODGERS
Financial Editor

Regent Pacific, a Hong Kong investment group, yesterday appeared to be trying to put Hambros into play as a takeover target by disclosing a 3 per cent stake and mounting an attack on the board's performance.

Jim Mellon, chairman of Regent Pacific, said in a written statement: "Hambros appears to us to be an undervalued and undermanaged enterprise. It could be said that the board is beautifully decorated but it seems that the company itself is in urgent need of repairs. We believe that we will profit from an investment in Hambros shares."

Mr Mellon said later: "We have bought an undervalued stock and we will see what happens. Cyclically it seems like a good time to buy a stake." He added: "Something has got to happen."

The statement attacking the board was sent to Sir Chips Keswick, Hambros chief executive, ahead of the announcement.

Sir Chips said Hambros did not know Regent or do any business with it, and neither did it know Mr Mellon. "As a 3 per cent shareholder we look forward to meeting them," he added.

Regent Pacific has spent £14m buying shares in the merchant bank. The money came from Regent's own capital and not from funds under management for clients.

A year ago Regent launched a successful hostile takeover bid for GTI Chile, a £250m offshore fund manager, and it is engaged in a battle for control of Pioneer Industries, a holding company for a small 4.5 per cent stake in the giant Bangkok Bank of Thailand.

Hambros has recently completed a nine-month review of its long-term strategy, which was published in the annual report in July. Its shares have risen well above the low of 182p in June last year, adding 9p to 266.5p yesterday.

Canary Wharf claimed another scalp in its long-running battle to poach financial institutions from their traditional stamping ground in the City. Citibank said yesterday it was to build a 500,000 sq ft headquarters building in the Docklands office complex, joining BZW and Morgan Stanley, who have already made the move.

Citibank had previously indicated it was considering a move to a site on the south bank of the River Thames near London Bridge. It is understood the bank pulled out of those negotiations because of fears that environment secretary John

Citibank to build in Docklands

TOM STEVENSON

Gummer would sit on any planning application due to the sensitivity of the river-side site.

Negotiations with Canary Wharf, which is thought to have offered a price advantage over the London Bridge option, are expected to continue until October. No precise terms were given for the deal, in which the US's second-largest bank will move 2,500 of its employees from its scattered London sites.

The move is the latest success for the Docklands office development which collapsed into receivership four years ago but which now claims 80 per cent occupancy of the 4.5 million sq ft of space that was completed before the property slump ended the 13 million sq ft project.

The proposed Citibank office tower is the first meaningful new building to be erected in the scheme since its original developers, the Reichmann brothers from Canada, bought it back from the receivers. Building of the tower is expected to be completed within three years, by which time the Jubilee Line extension will be complete.

The tube link with the rest of London is being seen as the key development for the scheme.

Selwyn Jones, property analyst at Credit Lyonnais, said the London financial community could accommodate the City and Canary Wharf.

Comment, page 19

Brewer balks at minimum wage

BARRIE CLEMENT
Labour Editor

The level of minimum wage being demanded by many unions would cost the leisure industry £167m and lead to substantial job losses, according to a leaked memorandum to the Labour Party from one of the sector's biggest companies.

The confidential document from Whitbread, the brewing, pubs and food-retailing group, calculates a rate of £4.15 an hour would cost it more than £27m without restoring any differentials for higher paid employees.

The report, *A National Minimum Wage - A Whitbread Position Paper*, claims that a statutory minimum wage would wreak havoc in remuneration and grading structures and on training. Whitbread added that the 3,000 jobs a year it creates would have to be cut and the career structure would be destroyed. Pay differentials would be eroded and management grades eliminated.

The company also said that premium rates for Sunday working would have to be cut and hours reduced. It calculates, however, that a rate of £3 an hour would have a "negligible impact". The memo was sent to Labour by Whitbread last September as part of the party's consultation process with employers.

Labour has committed itself to the introduction of a legally backed minimum wage to be set by a Blair cabinet on the advice of a low pay commission. While the party is refusing to speculate on what the rate might be, it will come under considerable pressure at the TUC in a fortnight's time and at the party conference three weeks later to set a rate of half male median earnings. That formula has given a figure of £4.15, but has been up-rated on the basis of fresh official figures to £4.26 an hour. Unions have launched a campaign to win £4 an hour for their lowest paid workers ahead of the election.

The Whitbread paper says that basic hourly rates are "anachronistic". The company's pub and restaurant division pays its 27,000 staff through a mixture of profit-related pay, incentive bonuses, free share ownership, employee assistance programmes, staff discounts and company pension schemes.

A spokesman for Whitbread said yesterday that it was difficult to speculate on the potential impact of a national minimum wage until legislation was drawn up. However, the company would continue to monitor developments in the area and emphasised that many other companies had responded to the Labour Party's request for an input from employers.

STOCK MARKETS					INTEREST RATES					CURRENCIES				
Index	Close	Day's change	Change %	1996 High	1996 Low	Yield %	Index	1 Month	1 Year	Medium Term (%)	Year Ago	Long Term (%)	Year Ago	Index
FTSE 100	3918.70	+13.00	+0.3	3918.70	3832.30	3.99	UK	5.89	5.94	7.88	8.05	8.00	8.12	\$
FTSE 250	4437.80	+8.50	+0.2	4598.80	4019.30	3.40	US	5.25	5.34	6.75	6.34	6.87	6.87	£
FTSE 350	1960.50	+6.00	+0.3	1960.50	1816.00	3.87	Japan	0.41	0.86	3.02	3.14	7.02	-	DM
FT All Share	2182.78	+3.83	+0.2	2244.35	1954.06	3.04	Germany	3.16	3.25	6.37	6.87	7.11	-	¥
New York	5712.38	+1.11	+0.0	5712.38	5032.94	2.21								
Hong Kong	20709.81	-200.46	-1.0	22986.80	19734.70	2.78								
Tokyo	11879.49	+40.98	+0.4	11594.99	10204.97	3.41								
Frankfurt	2563.16	+44.32	+0.2	2563.40	2253.36	1.80								

MAIN PRICE CHANGES				
Stock	Price	Change	Yield	Notes
British Telecom	128.5	-1.5	6.6	
BT Group	124.5	0	6.7	
BT Group Int	198	5.5	2.7	
Wm Morris	170	9.5	6.9	
Harley Davidson	692	27.5	4.3	

OTHER INDICATORS				
Index	Value	Change	Year Ago	Notes
Oil Brent	20.45	+0.25	18.23	
Gold	389.50	-0.45	383.30	
Gold	248.15	0.87	248.01	
Base Rates	5.75pc	5.75		

Source: FT Information

business

France paints Kalon into corner

THE INVESTMENT COLUMN

EDITED BY TOM STEVENSON

Mike Hennessey has done a decent job since taking the reins at Kalon in the late 1980s. From a small paint and wallpaper group valued at around £22m, it has grown into Europe's second-largest maker of decorative paints. But the deal that transformed the group last year is looking increasingly ill-timed. The £330m takeover of Euridip, the paint operations of French oil group Total, has run into a slowing French economy, made worse by a government struggling desperately to meet its Maastricht public spending criteria.

Yesterday's half-year figures to June bore the scars. Group profits soared 69 per cent to £19.6m but most of the boost came from including Euridip for a full six months. In fact, underlying figures from the French operations were disappointing, growing from £5.4m to just £7.9m, despite the addition of £100m to turnover.

Kalon faces a pincer movement in France. Although it squeezed cost savings of around £3.9m from the merger in the first half, including £2.1m in France, another £4m has been put on hold while the French courts decide on the legality of the group's rationalisation plans. Including the UK, where the merger of Euridip's Johnstone's Paints and Manders businesses with Kalon is well up to speed, total merger benefits will still top the original forecast of £10m in a full year. But the expected further progress could be extended well into 1997.

Just as serious is the external environment across the Channel. Kalon reckons an unexpected 5 per cent dip in the French paints market cost it £5m in the first half and there is not much light at the end of the tunnel. With the unemployment rate at over 12 per cent, consumer spending remains subdued.

It was hardly surprising then that analysts were slicing profits forecasts from £47m to around £35m yesterday. But the damage to the shares was limited, with the price falling 8p to 125p.

There are reasons to be cheerful at Kalon. It has reversed a three-year decline in market share at Euridip, whose brands have strong market positions. There is no reason Mr Hennessey should not repeat the success of Novodec, the biggest private label paint maker in France acquired in 1993. Margins there have been built to 12 per cent, four times the Euridip level.

Meanwhile, there are grounds for some optimism in the UK. Helped by lower raw material costs, Kalon raised UK profits from £6.1m to £8.2m while weeding out parts of the unprofitable Johnstone's and Manders business. And a 7 per cent fall in volumes

shows signs of bottoming out, at least in the retail market. July was the best month of the year so far and August is going well. Overseas beyond France, interesting operations are emerging in Hungary, where Kalon's market-leading position helped it to raise profits a fifth, and in Spain, where profits rose 56 per cent. The potential is there, but on a forward rating of 20, the shares

Stoves stands up to rivals' heat

Floated at 163p a year ago, shares in Merseyside-based domestic cooker manufacturer Stoves have had a tremendous run, peaking at 304p earlier this year before coming off the boil somewhat.

Such outperformance is all the more remarkable given the backdrop of weak selling prices, particularly at the lower end of the appliance range, and fierce competition from far larger rivals such as Electrolux, Whirlpool and Bosch-Siemens.

Yesterday's figures suggest investors' faith in the company has not been misplaced. Pre-tax profits rose 42 per cent to £4.2m in the year to May 1996 on turnover 29 per cent higher at £63m. Earnings per share were static at 14.2p as Stoves incurred an 18 per cent tax charge after unrelieved tax losses became fully utilised. A maiden full-year dividend of 5.2p will also be paid.

The figures hide a year of two halves. Raw material price rises for steel, aluminium and plastics, which hit the first-half figures, have abated, while the adverse trading impact of last year's long, hot summer has not been repeated. Indeed, Stoves says the first two months of the current year have seen "considerable growth", helped in part by the pick-up in the housing market.

So far growth has been managed well, with sales nearly trebling but staff numbers only doubling to just under 1,000 since the management buyout from Yale & Valer in 1989 and the revival of the pre-war Stoves brand name.

Stoves' main challenge is to prevent margin erosion. Although its share of the UK market rose from 13 to 16 per

cent, gross margins slipped by 1.3 points to 19.3 per cent in the period, despite the increase in sales. Stoves has also moved into unknown territory by taking over responsibility for after-sales service from retailers such as Currys and British Gas.

Stoves will also have to pay a full tax charge this year, limiting the expected advance in earnings per share to a pedestrian-looking 8 per cent.

All of which makes the forward multiple of 17, based on house broker Kleinwort Benson's pre-tax profits forecast of £5.8m, difficult to justify. High enough.

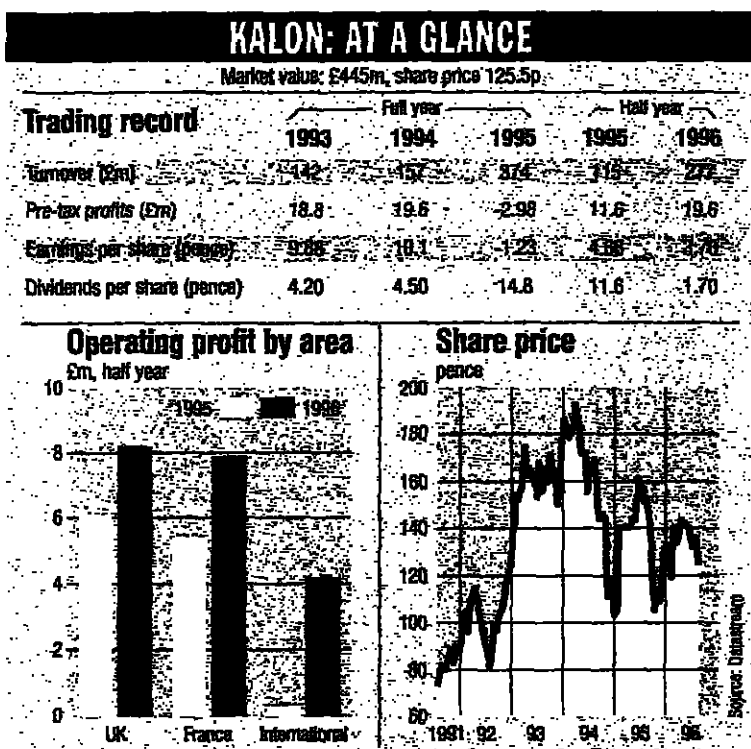
FKI hits the acquisition trail

Engineering group FKI is starting to deliver on broad hints dropped in June that it could have over £300m of acquisitions under its belt by the end of this year. Yesterday's £52.3m deal to acquire Nuova Marelli Motori di Italy is the thin end of that particular wedge, but FKI confirmed bigger buys of around £200m are still in the offing.

Nuova Marelli should keep the pot boiling. It is being acquired from two US investment funds and fulfils the FKI criterion of occupying a leading position in its markets. The company makes low-voltage electric motors and alternators, with applications including fork-lift trucks and lifts. It commands 14 per cent of the Italian market for its type of AC motors, just ahead of ABB, and a strong 32 per cent share of the alternators market.

That helped deliver underlying operating profits of £1.4bn (£5.9m) in 1995, on sales of £1.33bn (£56.5m), after adding back central costs. FKI says reorganisation costs should be no more than £1.5m in a full year, so there should be a marginal contribution this year, but the real benefits should come in 1997. Marelli neatly complements FKI's existing Laurence Scott business, whose motors and generators are aimed at slightly larger specialist applications such as in submarines and nuclear plants. By offering a bigger range and enhanced distribution from the two companies, while supplying more of the group's needs for motors in-house, FKI reckons it can increase sales by around £8m a year.

The market was unimpressed, marking the shares down 0.5p to 187.5p, but FKI's caution on acquisitions is welcome. Full-year profits of £109m, for a forward p/e ratio of 15, suggests the shares are reasonable value.



Lord Parkinson on-line for a new partnership

CITY DIARY

JOHN WILLCOCK



Lord Parkinson: Heading to Paris for an Internet launch

Lord Parkinson, he of the Sarah Keays affair, has just been made chairman of a Leeds-based Internet "access provider", Planet Online, owned by his pal Paul Sykes.

Mr Sykes made his first fortune in scrap metal, and met Cecil in 1976 when he was chairman of Barnsley Conservatives. Lord Parkinson tells the *Yorkshire Post*: "I suppose that although we never talked about it before, it was always in the back of our minds that one day we might work together."

Lord Parkinson was a chartered accountant and a businessman himself before he joined the Government in 1979, where he rose to be Transport Secretary.

"When Paul invited me to become chairman, I thought about it and I was intrigued. It's an entry into a whole new world for me," he says.

Mr Sykes and Lord Parkinson are whisking journalists to Paris in two weeks' time via Eurostar to announce a new global Internet partnership with another company. The beano will climax with lunch at La Coupole, one of Paris's ritziest brasseries. Sadly, I will not be attending.

A no-holds-barred biography of controversial Carlton Communications boss Michael Green by the *FT*'s Ray Snoddy comes out on 9 September, titled *Greenfinger*.

When contacted for a reaction yesterday, one person in Mr Green's office said he was "in a meeting", while another said he was "out of the building". Turning to a spin doctor

Howard Davies, deputy governor of the Bank of England and Manchester City fan, has urged his club not to make George Graham its next manager. Mr Graham was sacked as manager of Arsenal last year over the "transfer bung" affair. Speaking on Radio 5, Mr Davies said: "I would prefer someone who still had something to prove. I don't see why Manchester should become a rehabilitation home for tarnished managers. I'd rather have someone like Neil Warnock of Plymouth, or Dave Bassett of Crystal Palace. I hope we don't go for Graham but it looks as though it's moving that way."

close to the media mogul, the press said he had not read the 306-page tome. But, he added smoothly, people who had assured him that Snoddy's book was "fame - very fame", Snoddy himself is in Iceland, presumably avoiding the wrath of Mr Green.

Kalon Group managing director Mike Hennessey likes to boogie when he announces his results. This year's interim results were headlined *Keep on Running*, which, Mr Hennessey claims, was a hit by Del Shannon in 1965.

In the same vein, last August's interim results were headlined *Even the Bad Times are Good*, a Sixties hit by the Tremeloes. The final results were titled *More than I can Say*, a top 10 smash for Bobby Vee in 1965.

But hang on a minute. Surely *Keep on Running* was

sung by the Spencer Davies Group. Mr Hennessey must be confusing it with Del Shannon's record *Runaway*. Ashen-faced spokespeople for Kalon confirmed last night that the *Independent* was right. No doubt Kalon will be making a suitable statement to the Stock Exchange.

M&G, the UK's biggest PEPs and unit trust group, has promoted Michael McLintock to succeed David Morgan as managing director.

I'm sure Mr McLintock is good at his job - he got a first at Oxford in 1983 and then worked for Morgan Grenfell and Barings before joining M&G four years ago. What is galling, however, is his youth. Mr McLintock is a mere 35.

An M&G spokeswoman finds this reaction amusing: "If you met Mr McLintock you would be not at all surprised. He's been the obvious choice for the last two years."

So has he got any interesting hobbies? "He's very business focused. If you asked him about hobbies it would be a waste of your time."

Huh. Sounds like a right prig. "Oh no, he's very likeable." Worse and worse...

COMMENT

Twiplan

GRAND PRIX '96 RACE SCHEDULE

Italian GP
September 8
Portuguese GP
September 22
Japanese GP
October 13

Overall Top 50 Dream Teams

- Thirty-five teams are in joint 1st position with 547 points, fifteen teams are in joint 2nd position with 534 points
- 1 Jumpin' Jacks
 - 1 Bilbie Racing
 - 1 Muddisings
 - 1 Crisp One
 - 1 The Forty One'ers
 - 1 Effuletha
 - 1 Gevezari
 - 1 Equinox
 - 1 Furrals
 - 1 Gorry's GTs
 - 1 Mino's Marauders
 - 1 Herb's Flyers
 - 1 Dan's Reckless Racers
 - 1 Sinkley Formula 1
 - 1 Peanjurce
 - 1 The Dare Devils
 - 1 Dream Machines
 - 1 Harvey
 - 1 God's Son
 - 1 Bisland's Bangers
 - 1 I'm Alright Jacques
 - 1 Bino One
 - 1 They Who Dare
 - 1 Charlie's Choice
 - 1 DSC
 - 1 Petrol Heads
 - 1 Ward's Wonders
 - 1 Bourbon
 - 1 Red Rose Racing
 - 1 Formula Fantastic
 - 1 Players One
 - 1 AK Racing Team A
 - 1 Speed Buggy
 - 1 Drive Blind
 - 1 Used Rubber
 - 2 The Pits
 - 2 Pippa's Pole Positioners
 - 2 A La Carte
 - 2 G R I
 - 2 KBS Team Lightning
 - 2 Sherbie's Stars
 - 2 Sky Clad
 - 2 Tony's Omega One
 - 2 Robin I
 - 2 The Pilkington Formula One
 - 2 Catch Me Out
 - 2 French Flyers
 - 2 Panville
 - 2 They Think It's All Over FI
 - 2 Kwesi International

FORMULA 1 DREAM TEAM F1 RACING

The latest scores and results

Sunday's dramatic Belgian Grand Prix proved that speed alone is not enough to secure victory; a keen tactical mind and a little bit of luck come in useful as well. Michael Schumacher's perfectly timed pit-stop, while the field were circulating slowly behind the pace car following Jos Verstappen's accident, was the key to his win.

Villeneuve, who is used to such tactics from the far more common use of the pace car in IndyCar racing, wanted to pit at the same time, but radio problems prevented him from getting the message through to his crew in time, and he had to crawl round another lap. It cost him the race - but Dream Team managers with Villeneuve on their strength need not despair: their man brought home as many points as Schumacher.

Damon Hill had a rather subdued weekend, and thirteen points is an uncharacteristically low Dream Team score for him; he is streets ahead in the total Dream Team standings, but is he beginning to lose his self-belief in the chase for the drivers' title in the real world? Jacques Villeneuve, the reigning IndyCar champion, knows what it is like to win a title: that confidence may prove crucial.

Away from the top two there were some useful performances from hitherto unheralded drivers. Pedro Lamé lugged his Minardi around the Ardennes patiently to pick up nine Most Improved points. But it was his mechanics who were the real stars. The pit crew turned their man around faster than all the grander teams could manage to give him five Dream Team points for quickest pitstop. A magnificent effort by the little team from Faenza in Italy, one of grand prix motor racing's most likeable crews.

But it was a truly dreadful weekend for the Swiss Sauber team, and any Dream Team manager with a Sauber driver on board is looking at a minus score. Johnny Herbert is used to misfortune, but even he must have been surprised to be sent flying at the first hairpin bend by his own team-mate, Heinz-Harald Frey, who stood in the corner.

But cunning was required to defeat the faster Williams of Villeneuve, and Schumacher is as witty as they come. An early pit-stop while the pace car was out was the key to an outstanding victory.

Team Position Check Line:
0891 891 806

Results & Top 50 Teams:
0891 891 807

Calls cost 35p per minute plus 4p per minute for all other lines. Rates are as previously published and are available on request.



Villeneuve, Schumacher and Hakkinen on the podium

DRIVER OF THE DAY: MICHAEL SCHUMACHER

Relief at last for Dream Team managers who shelved out fortunes to retain the services of Michael Schumacher. The £25m man proved last weekend to be worth every penny with a performance of great cunning, speed and courage to hold off Jacques Villeneuve and win the Belgian Grand Prix worthy of the accolade of Driver of the Day.

The courage was required to step back into his Ferrari after a gigantic accident in qualifying on Friday when he backed his car into a wall at around 130mph, breaking the steering wheel with his right knee. Speed is something that Schumacher has always had, but rarely has he looked as fast as he did on Sunday, locking the scarlet car's brakes, twitching sideways lap after lap under acceleration down the hill away from the La Source hairpin, audibly flat-out through Eau Rouge, the most intimidating corner in motor racing.

But cunning was required to defeat the faster Williams of Villeneuve, and Schumacher is as witty as they come. An early pit-stop while the pace car was out was the key to an outstanding victory.

WIN a drive in a grand prix car

The Dream Team manager with the highest number of points at the end of the Grand Prix Championship season will win our top prize - a drive in a 650bhp F1 car.

You will be flown to the AGS team's training school in the south of France for the most exhilarating experience of your life. The school specializes in F1 courses and provides all the racewear and instruction you will need for a day driving F1 and other single seat cars.

INDIVIDUAL GRAND PRIX PRIZES STILL TO BE WON
You can enter our Formula 1 Dream Team game at any time during the grand prix season. Even if you don't win our top prize, don't worry, there are still prizes to be won with each grand prix race.

Enter for the Italian Grand Prix and you could win a copy of the new book 'British Grand Prix at Silverstone 1996' signed by the race winner, Jacques Villeneuve, plus tickets to the October Motorshow at the Birmingham NEC. Get The Independent on Thursday 5 September for details on how to register.

BELGIAN GRAND PRIX PRIZE WINNER
Congratulations to Amanda Moberly from Salisbury, Wiltshire and her team Amanda's Auto Acc's. She has won a trip to the Italian Grand Prix.

Grand Prix Shopping List

POINTS SCORED

DRIVERS	POINTS	CHASSIS	POINTS
1 Michael Schumacher	25	1 Williams	228
2 Jacques Villeneuve	23	2 Ferrari	118
3 D Hill	13	3 McLaren	118
4 G Berger	20	4 Sauber	49
5 D Coulthard	3	5 Tyrrell	42
7 J Villeneuve	27	6 Minardi	9
8 M Hakkinen	22	7 Benetton	0
11 R Barrichello	0	8 Arrows	0
14 P Larri	14	9 Forti	0
15 P Diniz	-1	10 Agip	0
17 J Verstappen	-2	11 Renault	14
20 R Rosset	9	12 Ferrari	20
22 A Montanari	0	13 Mercedes	14
23 V Sospini	0	14 Peugeot	0
24 T Magnussen	0	15 Mugen	9
25 F Lagorce	0	16 Ford V40	0
26 A Zanardi	0	17 Yamaha	14
27 T Inoue	0	18 Barch	12
28 M Blundell	0	19 Ford Zetec V6	0
29 K Brack	0	20 Ford Bb v6	11
30 E Collard	0		
31 J Magnussen	0		
32 G Targuini	0		

سكرا من الامثل



COMMENT

'Kvaerner's ludicrous fantasy of building a 1,000-foot tower in the City, 25 per cent higher again than anything else in Britain, is compelling evidence that the big swinging 1980s are back with a vengeance'

Throwing money at property will end in tears

It seems that only last week the pundits were calling the end of the property market cycle. In a period of sustained low inflation, they told us, there would be no more of the crazy boom and bust that had plagued the industry for so long. Property, residential and commercial, would once again be a sensible but dull investment, somewhere to live or work, not something to speculate on.

That looks like so much phooey this week, with the City and Docklands again flexing their muscles at each other, banks falling over themselves to lend on speculative developments, and rents in prime areas rising strongly once more. For a property developer these conditions are heaven. Before it ends in tears a few years from now some of them will have made their pile and cleared off to the south of France. But like last time, most will end up losing their shirts.

It all looks so familiar to those with a 10-year memory. Kvaerner's ludicrous fantasy of building a 1,000 foot tower in the City, 25 per cent higher again than anything else in Britain, is compelling evidence that the big swinging 1980s are back with a vengeance.

Canary Wharf's coup in securing Citibank, America's second-largest bank, to its less than half-completed Manhattan on the Thames is a serious blow to the City, however much the Corporation attempts to cover the loss with statesmanlike remarks about the two business districts fighting together to maintain London's pre-eminence as a financial centre in Europe.

The fact is that on the brink of the next building boom, the stakes are higher than ever in the ill-disguised scuffle to grab the highest-profile tenants. One or two more blue-chip banks making the move down river, coupled with the completion of the Jubilee Line in 18 months, and it could be an uphill struggle to persuade tenants to stay in the congested, polluted City.

That said, the City has good reason to view the Citibank move with some equanimity. It has won the battle with English Heritage to sweep aside some of the sillier planning restrictions and there are now more cranes over the Square Mile than at any time since the last boom. Whether the banks' rush to throw money at developments, or the developers' willingness to accept the loans, will make any more sense this time around is a moot point. Until banks can think of anything else to throw their money at, and as long as developers continue to dream of 1,000 foot monuments, the property roller-coaster will be alive and well. And one thing is certain: it will all end badly.

Inward investors must look to Labour

One of the oddest things about politicians of all shades these days is their tendency to seek the blessing of "business" and "the City" for all they do and say. The voice of business is constantly cited to back this po-

sition or that. This is perhaps a good thing because if nothing else it indicates that politicians, whatever their party, have begun to take business and its views seriously once more. In truth, however, it's most of the time a disingenuous game; "business" has rarely spoken with one voice on anything.

As we approach the election, the game gets more dishonest. Nissan's firm denial of a newspaper report that it would stop investing in its Sunderland plant if a Labour Government embraced the EU's Social Chapter, is a case in point.

Anybody who listens to what business people actually have to say, rather than the gloss Conservative Central Office and others want to put on it, would have spotted the implausibility of the report in the first place. Of course the business community is not keen on the idea of the Social Chapter, just as it is not keen on the national minimum wage. Both would mean more cost and less flexibility.

But for a foreign investor like Nissan, the Social Chapter is a minor issue. The key Euro-question is not whether Britain falls into line with the other EU countries on social standards, many of which big companies already satisfy. It is whether or not we stay out of the single currency.

On this issue multinationals will be far more wary about a Tory government than a Labour one. The great success story of record levels of inward investment will turn to dust if it looked as though a UK decision

to opt out of the single currency would lead to gradual exclusion from European markets.

This is something which Kenneth Clarke, a politician well attuned to the needs of business, has stressed many times in his robust defence of the need to keep UK options on the single currency open. Labour is much more likely than a Tory government to join the single currency - although it has sensibly made few commitments on this front. It will also be much better placed to negotiate a reasonable deal for Britain in the event that we stay out.

Having squandered the community's goodwill towards Britain for the sake of appeasing his Euro-sceptic guerrillas, Mr Major is in a pretty much hopeless, no-win position on this front. For inward investors at least, Labour looks a better bet than the Tories.

Identity crisis at WH Smith

Eight months into the chief executive's job at that great retail under-achiever, WH Smith, and Bill Cockburn is sticking to his script. The obvious horrors in Smith's closet have already been shaken, rattled and sold. Do it All, the real nightmare, has gone. The bloated head office has been cut down and shipped off to Swindon. Layers of pen-push-

ing management have been stripped out. So far, the City has applauded the aggressive shake-up, marking the shares sharply higher. But the jury is still out on longer term prospects for a WH Smith recovery.

The nub of the problem is still the core WH Smith chain. Baset all around by competitors such as supermarkets and specialist chains, it is struggling to develop its own identity and struggling to drive sales and margins higher.

The chain faces something of an identity crisis. What is WH Smith and what does it stand for? If it is a kind of mini-department store, with an unparalleled range, then it is risking its reputation by cutting its product lines by 29 per cent.

If it wants to compete on price, it will have to cut its already thin margins, a course it will be unwilling to follow.

If it is a convenience store, then good old Smiths will have to go back to selling cigarettes and sweets.

For all this, WH Smith remains one of the best known and most trusted brand names on the British high street. Only Marks & Spencer and Boots rank higher. It has an army of 7.5 million customers and a powerful position in sectors such as children's school supplies and Christmas gifts. With the new school year starting next week, sales should be going like a train.

Mr Cockburn ought to be able to do something with such an enviable position, even if his predecessors could not. But it looks like a mighty long slog.

Twins accept Lloyd's plan despite 'betrayal'

PETER RODGERS
Financial Editor

Two thorns in the side of the Lloyd's insurance market, the identical twins Peter and Colin Vine, yesterday said they had reluctantly accepted the rescue offer which closed yesterday for UK members.

The 80-year-old twins became a cause célèbre in summer because their case demonstrated that Lloyd's £3.2bn rescue plan was treating members who paid their debts on time far worse than those who dug in their heels and refused.

Colin, the brother who paid, was left £123,000 worse off by the rescue than Peter, the brother who refused. They are among a large number of angry names who appear to have decided in the past few days not to hold out against the offer, which now has the support of enough names to proceed after a meeting of the Lloyd's ruling council today.

But Lloyd's still risks a prolonged fight with as many as 3,000 of its 34,000 members who had not, by yesterday after-

noon, accepted the £3.2bn rescue.

Lloyd's announced that 90.2 per cent of the membership had accepted, and it said the proportion of the 2,700 American members who had voted in favour had risen from 53 per cent to 66.7 per cent since Tuesday. This was after a rush of acceptances from America in the wake of a US appeal court ruling on Tuesday that cleared the last serious obstacle to the rescue. American members have been given an extension of the deadline so the 90.2 per cent total could rise further.

The Vine twins said they had no alternative but to accept the offer. Both joined Lloyd's at the same time in the 1960s and quit active underwriting in 1990, and they were also members of the same syndicates. But Colin Vine sold property and investments to raise cash and bring his payments to Lloyd's up to date after the Outwaite syndicates to which he belonged dug deeply into trouble.

Peter Vine refused to pay any new money to Lloyd's after the

Outwaite disaster and instead forced the market authorities to draw down on the deposits he had lodged with them.

The detailed documents sent by Lloyd's last month to the two brothers showed that as a result of his intransigence Peter will be much better off than his brother, who supported the market through thick and thin. Peter Vine said he was due to pay £275,000 in final settlement of his account at Lloyd's but Colin Vine must pay £398,000. Peter Vine said: "We are very sad about it because in my opinion what Lloyd's has done to the names who have supported it compares to the betrayal at the Last Supper. Judas Iscariot didn't do better than this."

He added that the people who had saved Lloyd's should be compensated for what they did, not savaged for it, and he said pressure should be put on Lloyd's after the settlement went through to find some money to put right the wrong.

Peter Vine said he had never wanted to see Lloyd's wrecked but he had wanted a

solution with "some semblance of justice or fairness."

Colin Vine said: "I have accepted because I have no other choice." If he refused, he would lose another £87,000, which he said amounted to blackmail. Of Lloyd's, he said: "You can't trust them as far as you can throw a battleship."

The tax bill if he was forced to sell his investments now to pay the full debt would have "wiped me out, but fortunately friends and family have rallied round. If it hadn't been for friends and family I would have been in a pretty bad way."

A letter from David Rowland, Lloyd's chairman, suggested Colin Vine would benefit from help under Article 4 of the rescue plan, but he had already been told by other Lloyd's officials that he would get none. Furthermore, the final offer from Lloyd's was nearly £90,000 worse than the provisional assessment he received in March.

Some names confirmed their intention to refuse. "I'll hell with it - I'm not going to accept," said Alfred Doll-Steinberg.



Winners and losers: Brothers Colin and Peter Vine demonstrated the conflicting way Lloyd's treated its members

Surge in exports gives a trade balance boost to Government

DIANE COYLE
Economics Editor

Surging exports helped trim Britain's trade deficit in July, suggesting that another piece of the economic jigsaw is looking favourable for the Government.

"Contrary to popular perception, export volumes are picking up," said Kevin Darlington, an economist at City brokers Hoare Govett.

Stronger consumer spending had not led to the expected increase in imports, he added. So far, faster spending growth has fuelled neither inflation nor imports.

The improvement in exports reported in yesterday's official figures provides the first confirmation of recent industry surveys indicating better export orders.

The latest CBI survey indicated a sharp improvement in manufacturers' optimism about future exports, despite the apparent weakness of key markets in Europe.

The gap between exports of goods to and imports from non-EU countries halved in July, falling to £506m. This was the smallest deficit since May 1995. The underlying balance, excluding oil and erratic items such as aircraft and precious stones, improved equally sharply, falling from £794m to £410m.

The shortfall in trade in goods with the rest of the world was almost unchanged at £1.1bn

The jump in exports to non-EU countries in July, at 8.7 per cent, was the highest since mid-1993. North America and European countries outside the EU accounted for most of the improvement during the month.

The less volatile figure for the three months to June showed a 5 per cent increase in the underlying value of exports compared with a 1 per cent increase in import values.

The volume trends were equally favourable, with exports up 3.5 per cent in the three months to July compared with a 0.5 per cent increase in imports.

The overhang of excess stocks in industry has helped to subside import growth, offsetting the normal impact of higher consumer spending on trade.

Jonathan Lynes, an economist at HSBC Markets, said: "These figures should lay to rest any immediate concerns that the recent pick-up in domestic demand - and in particular consumer activity - will have an adverse impact on the trade balance."

A spokesman for the Treasury said: "The figures continue to demonstrate strong export growth."

However, Labour focused on the small increase in the whole world trade deficit in June.

Shadow Treasury chief secretary Alistair Darling said: "This worsening trade gap confirms the underlying imbalance in the UK economy."

"Britain has too small a manufacturing base to sustain growth without a persistent trade deficit."

Johnston to press on with expansion

MATHEW HORSMAN
Media Editor

Johnston Press, the rapidly growing newspaper group, remains committed to expanding further in the rapidly consolidating regional market, despite the £218m acquisition of Emap's 45 titles announced earlier this year.

"We expect further consolidation, and we are always looking for opportunities," Tim Bowdler, managing director, said yesterday, announcing the group's interim profits.

He added that the Emap acquisition, finalised on 1 July, was already being integrated into the group and that none of the titles would be closed or sold.

Despite the commitment to growth by acquisition, Mr Bowdler warned: "We will only do what we can afford to do, and we will not be going back to our shareholders." The Emap purchase was largely financed by a rights issue. He added that the company would acquire titles in areas that fitted geographically, and all but ruled out buying the

southern newspapers put up for sale on Tuesday by United News & Media.

In addition to small independent groups, several mid-ranking newspaper companies, including Portsmouth and Sunderland and Southern Newspapers, may soon be on the block, analysts believe.

Yesterday's interims from Johnston, the last set of results before it begins to consolidate the Emap titles, saw pre-tax profits rise 55 per cent to £12.6m, including exceptional gains on the sale of Bury Press to rival Newsquest in the period. Underlying profit growth was about 10 per cent, with operating margins ahead two points to 26 per cent.

Mr Bowdler said the period had been "patchy" and that advertising revenue had been dull, with volumes up just 2 per cent and revenues up 4.9 per cent.

A disappointing result from the bookelling division had been expected, due to the collapse last year of the Net Book Agreement and a decline in purchases by local libraries.

Midlands Electricity to supply residential gas

CHRIS GODSMARK
Business Correspondent

Midlands Electricity, which was taken over earlier this year by two utility groups in a £1.8bn deal, is to launch an assault on the residential gas market.

Midlands was one of the first regional electricity companies to pile into the industrial gas business in 1992 with its subsidiary, Midlands Gas, which currently has around 10,000 customers.

However Midlands, which has 2.2 million electricity customers, decided not to take part in the trial of domestic competition currently under way for 500,000 homes in the South-west.

Managers are still finalising details of their plan, which will be formally announced in the next couple of weeks. It could begin by marketing gas outside

Midland's area in the second stage of the competition trial, due to take place next year in other parts of the South of England. Full competition for all households is planned by the gas watchdog, Ofgas, for 1998.

Other regional electricity firms, including Web and Eastern, are already supplying gas to households in the Devon and Cornwall trial, though they found it harder to persuade people to move from British Gas than some observers had predicted. Midlands will also face stiff competition from oil and gas companies, including Total, which has a joint gas marketing venture with London Electricity.

The news emerged as Midlands announced the retirement of its chairman, Bryan Townsend. He will be replaced from September by James Leva.

Virgin ads anger financial advisers

NIC CICUTTI

A row has broken out between Virgin Direct, the financial services firm owned by cola-to-airline tycoon Richard Branson, and independent financial advisers, who claim they are being unfairly vilified in Virgin's advertisements.

IFA Promotion, a body which promotes the use of independent advisers, has written to the Advertising Standards Authority, complaining that Virgin's ads breach the ASA code of practice. In particular, IFA Promotion objects to Virgin's claims that it gives "value for money" because it has nothing to do with salesmen or commissions.

Robert Browne-Clayton, the IFA body's chief executive, said: "We are unhappy about a num-

ber of claims made in Virgin Direct's advertising. However, the crux of our argument is that people who are considering life insurance need advice."

Martin Campbell, product development manager at Virgin Direct, said: "It is ironic that we should be attacked by IFA Promotion when we give our number to hundreds of customers who need advice about a product in an area we do not cover."

"Its attack on us is out of date. We have moved away from the argument about commissions and on to more positive arguments about our products. The point we have been trying to make is that if the insurance industry did its job properly millions of people would be better protected than they are today."

The ASA was unavailable for comment.

THE INDEPENDENT

WILL YOU BE FOLLOWING THE BEAR MARKET

This Saturday The Independent Magazine publishes a 16 page Essential Guide to American Football in association with the NFL

THE NFL STARTS SEPTEMBER 1ST
WILL YOU BE FOLLOWING THE CHICAGO BEARS?

Where investment outweighs trade in free markets

There used to be no ambiguity about it. From colonial times until about 10 years ago the links between the developed economies and the developing ones – "North" and "South" – consisted of a straight-forward pipeline. Good times in the North made for good times in the South too, and vice versa, so dependent were the poorer countries on exports to the richer ones.

But times have changed. Not only are there more "reverse linkages" from the economies of the South to the economies of the North, but the newly industrialising countries have actually shed their dependence on the pace of growth in the industrial world. So concludes a new working paper from the International Monetary Fund.

The most interesting aspect of the new research, however, is its analysis of why the links have changed. For it highlights an important change in the nature of trade, which has changed the meaning of free trade and the politics of free trade versus protectionism.

The synchronisation of Northern recession with slower Southern growth appears to have broken down in the late 1980s. Although this is too recent to draw firm conclusions, there seems to have been a structural change in the economies of the developing world, and mainly in South-East Asia. Northern growth has begun to depend on economic expansion in the South. According to the IMF, growth in the North would have been about half a point lower if Asia's GDP growth had remained constant in the early 1990s rather than climbing from below 6 to above 8 per cent.

The paper puts forward three related explanations for the fact that Asia managed to buck the early 1990s recession in the industrialised world.

ECONOMIC VIEW
DIANE COYLE

These are trade liberalisation and other structural reforms introduced by the region's most successful economies, their increasingly diversified exports and a huge increase in capital inflows. The first two are fairly obvious, the liberalisation has both helped improve productivity growth and made emerging financial markets more attractive to overseas investors. Diversification away from commodities and limited ranges of manufactured goods has made the economies less vulnerable to the business cycle in

export base in a relatively short time. This investment directly helps explain the rapid growth in some developing countries during the early 1990s. Increased direct investment by multinationals offsets some of the traditional impact of the recession in the industrial countries.

Overseas investment by Northern companies has grown far faster than exports and imports, as the chart shows. An article in the latest issue of the Organisation for Economic Co-operation and Development's maga-

Obstacles to foreign companies doing business on equal terms are pervasive

developed country markets.

Yet it is the third, the increase in overseas investment, which is the most significant. Capital flows from North to South have risen dramatically since the late 1980s, with the increase in their value far outweighing the growth in the value of trade over the same time. For the first time, a large proportion of this investment consists of private capital. Much of it, whether direct or portfolio investment, reflects the deliberate diversification by international investors outside their own slow-growing economies. The foreign direct investment, in particular, has helped give the newly industrialising Asian countries access to advanced production technology and a broader

zine argues that it is the growth of investment rather than trade as the international means of doing business, which characterises "globalisation". It goes on to point out that the notion of market access, fundamental to free trade and enshrined in international trade agreements, needs to change in scope. It needs to include the freedom to set up business on equal terms within a country's borders as well as the freedom to ship goods across the borders. "The promotion of such neutrality between trade and investment – access and presence – as a means of doing business marks the realisation that they have become inherently complementary means of contesting markets."

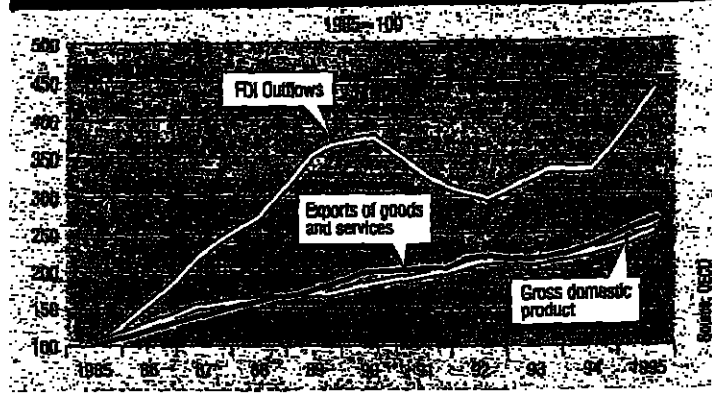
The OECD is drawing up a "multilateral agreement on investment" to try to set the ground rules for free trade when investment rather than exports and imports becomes the means of access to overseas markets. It is due to present a draft to ministers next May.

However, obstacles to foreign companies doing business on equal terms are pervasive and often deeply embedded in the host country's culture. It is enough to list the sorts of factors that have slowed the playing field to see how difficult the levelling might be for systems of labour and environmental standards, industrial, competition policy.

The difficulties are reinforced by the growing importance of services as opposed to goods in conventional trade. For example, trade in cross-border engineering consultancy services is to be liberalised under the General Agreement on Services. To be effective, it ought to be accompanied by liberalisation in government procurement, mutual recognition of professional licensing regimes, deregulation of temporary entry for personnel and the data-free entry of the software and equipment they need.

The OECD concludes that the momentum towards free trade in a world where services and investment are more important will prove a real test of governments' commitment to competition. In fact, the changing nature of international linkages sharpens the classic dilemmas posed by progress towards free trade. These are acknowledged in a new history of free trade by free-market Chicago professor Douglas Irwin. The theoretical case for free trade – that all countries can be made better off by trade – overlooks the likelihood

INVESTMENT OUTPACES EXPORTS



Indian sweatshop: International labour standards have become a new battleground for protectionists. Photograph: Dieter Ludwig

that within countries there will be winners and losers. It also ignores the fact that some countries can shift the terms of trade in their favour – raise the price their exports command overseas – by restricting trade. Free trade redistributes between countries as well as within them, even if one nation's gain from protection would be dwarfed by other countries' losses.

There is clearly a line of thought in some industrial countries that restricting the new forms of trade – say, the location of programming services in India by companies from a country advanced in the computer industry – will prevent unwanted redistribution of one kind or the other. High programming costs would favour the dozen countries with a significant software industry. Slower overseas investment could preserve manufacturing jobs in the North.

Those who support these arguments tend also to make labour and environmental standards a battleground. Nobody thinks child or slave labour is acceptable, but it is those of a protectionist inclination who want to use multilateral trade agreements to outlaw it.

Some multinationals are in hot water in the US for using Third World factories perceived to be exploitative – such as Nike, which imports its running shoes from Indonesia. These areas, along with tax and competition policy, will prove the thorniest issues in international economic relations during the next decade. But the scale of foreign direct investment in the South suggests the tide is already too strong to be held back.

*Have North-South Growth Linkages Changed? IMF Working Paper, May 1996. **Against The Tide: An Intellectual History of Free Trade, Douglas Irwin, Princeton University Press.

Foreign Exchange Rates

Country	Spot	1 month	3 months	6 months	1 year
US	1.5593	6-4	8-5	10-0	11-0
Canada	2.2014	11-3	50-37	136-59	2-1
Germany	2.2016	52-46	50-142	147-00	28-26
France	7.2854	61-54	59-387	510-70	76-73
Italy	2.2018	48-40	142-88	571-5	44-81
Japan	160.04	75-70	225-218	104-1	44-44
ECU	1.2238	15-11	45-40	124-2	7-8
Belgium	47-54	11-8	31-28	30-40	65-45
Denmark	8.9378	59-16	448-25	570-63	85-85
Netherlands	2.2018	65-57	167-14	155-58	38-32
Sweden	1.0365	7-8	21-14	125-58	4-7
Norway	5.9855	20-50	310-200	640-25	42-17
Spain	164-08	21-31	68-86	29-25	64-72
Switzerland	73.000	0-6	1-9	1-60-53	3-22
Australia	1.0372	50-51	67-58	135-74	18-107
South Africa	1.0372	50-51	67-58	135-74	18-107
Hong Kong	7.2854	61-54	59-387	510-70	76-73
Malaysia	3.2696	0-4	0-4	24-94	6-10
New Zealand	2.2018	48-40	142-88	571-5	44-81
Saudi Arabia	5.9855	20-50	310-200	640-25	42-17
Singapore	2.2018	48-40	142-88	571-5	44-81

Other Spot Rates

Country	Spot	1 month	3 months	6 months	1 year
Australia	1.0372	50-51	67-58	135-74	18-107
Canada	2.2014	11-3	50-37	136-59	2-1
Denmark	8.9378	59-16	448-25	570-63	85-85
France	7.2854	61-54	59-387	510-70	76-73
Germany	2.2016	52-46	50-142	147-00	28-26
Greece	363-347	236-50	445-25	445-25	445-25
India	55-57	23-70	44-81	44-81	44-81
Indonesia	1.0372	50-51	67-58	135-74	18-107
Japan	160.04	75-70	225-218	104-1	44-44
Korea	1.0372	50-51	67-58	135-74	18-107
Malaysia	3.2696	0-4	0-4	24-94	6-10
New Zealand	2.2018	48-40	142-88	571-5	44-81
Saudi Arabia	5.9855	20-50	310-200	640-25	42-17
Singapore	2.2018	48-40	142-88	571-5	44-81

Interest Rates

Country	Rate	Term
US	5.75%	Prime
UK	5.75%	Discount
Germany	5.75%	Prime
France	5.75%	Discount
Italy	5.75%	Prime
Japan	5.75%	Discount
Canada	5.75%	Prime
Australia	5.75%	Discount
South Africa	5.75%	Prime
Hong Kong	5.75%	Discount
Malaysia	5.75%	Prime
New Zealand	5.75%	Discount
Saudi Arabia	5.75%	Prime
Singapore	5.75%	Discount

Bond Yields

Country	Rate	Term
US	5.75%	Prime
UK	5.75%	Discount
Germany	5.75%	Prime
France	5.75%	Discount
Italy	5.75%	Prime
Japan	5.75%	Discount
Canada	5.75%	Prime
Australia	5.75%	Discount
South Africa	5.75%	Prime
Hong Kong	5.75%	Discount
Malaysia	5.75%	Prime
New Zealand	5.75%	Discount
Saudi Arabia	5.75%	Prime
Singapore	5.75%	Discount

Life Financial Futures

Contract	Settlement	High/Low	Open	Close
Long Gilt	107-08	107-08	107-08	107-08
Short Gilt	107-08	107-08	107-08	107-08
Long Euro	107-08	107-08	107-08	107-08
Short Euro	107-08	107-08	107-08	107-08
Long Yen	107-08	107-08	107-08	107-08
Short Yen	107-08	107-08	107-08	107-08
Long Dollar	107-08	107-08	107-08	107-08
Short Dollar	107-08	107-08	107-08	107-08

Life FT-SE Index Option

Contract	Settlement	High/Low	Open	Close
Long Gilt	107-08	107-08	107-08	107-08
Short Gilt	107-08	107-08	107-08	107-08
Long Euro	107-08	107-08	107-08	107-08
Short Euro	107-08	107-08	107-08	107-08
Long Yen	107-08	107-08	107-08	107-08
Short Yen	107-08	107-08	107-08	107-08
Long Dollar	107-08	107-08	107-08	107-08
Short Dollar	107-08	107-08	107-08	107-08

Industrial Metals

Commodity	Price	Change
Aluminium	1440-50	+50
Copper	197-50	+50
Gold	380-00	+50
Iron	100-00	+50
Nickel	100-00	+50
Platinum	100-00	+50
Silver	100-00	+50
Steel	100-00	+50
Timber	100-00	+50
Zinc	100-00	+50

Precious Metals

Commodity	Price	Change
Aluminium	1440-50	+50
Copper	197-50	+50
Gold	380-00	+50
Iron	100-00	+50
Nickel	100-00	+50
Platinum	100-00	+50
Silver	100-00	+50
Steel	100-00	+50
Timber	100-00	+50
Zinc	100-00	+50

Latest Unit Trust Prices

Latest Unit Trust Prices															
Stock				Self				Buy				Yld			
Stock	Self	Buy	Yld	Stock	Self	Buy	Yld	Stock	Self	Buy	Yld	Stock	Self	Buy	Yld
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Clueless in hunt for Hoddle's captain

Football
GLENN MOORE

There were 12 of us gathered in the small room. Outside, the afternoon sun had given way to heavy rain, inside the air grew sticky as we searched for the answer. A man's future was under consideration.

It felt like the set for the film "12 Angry Men", but this was not so much a whodunit as a whowhat. The Henry Fonda figure thought he knew the man's identity but, instead of pointing the rest of us in the right di-

rection, Glenn Hoddle was playing for time. There were four days to his first match as England coach and he was not ready to reveal his captain.

The 11 pressmen prodded and probed. "Would he be young, a new face for new era (Gareth Southgate)? Or an experienced head to oversee the transition (Stuart Pearce)? Did he need to be a club captain? Would he be a passionate man (Pearce or Paul Ince)? Or a thoughtful one (Southgate)? Was it a short-term appointment (was he waiting for Tony Adams and David Platt to be fit before making a final decision)?

"It's like Quedo," said Hoddle as the inquisition ground on. "I've not yet decided. It could be short-term. We are now playing a series of away games in tough countries." (It must be Pearce, we thought.)

"But if it is going to be long-term it has got to be the right man." (Maybe not Pearce.)

"What makes a good captain? Someone who can perceive the game as a good captain should." (Perhaps Platt, or Southgate.)

"People have a fallacy about captains ranting and raving - 'if they put their fists up they're a good captain' - which is a load

of rubbish." (Bad news for Pearce and Adams.)

"The best I had was Steve Perryman. He was a tremendous talker and an unselfish player for other players who were more gifted than him. That's a wonderful captain." (Adams after all.)

"We have a few potential captains in the squad. It is important it is someone who handles himself well, on and off the pitch." (That rules out Paul Gascoigne and, more realistically, Spurs' new captain, Teddy Sheringham. Possibly Paul Ince, too. But it is good news for Southgate - or Alan Shearer.)

"A captain is someone players have to respect. There are a few who might think there are reasons why they won't become captain, but we will see." (David Seaman, Shearer?)

Does it matter if he is not captain of his club? "A little bit of experience helps." (Interesting. A simple 'yes' would have ruled out Southgate, he is not the Aston Villa captain, but he was captain at Crystal Palace.)

Is age a factor? "You would not give it to a youngster." (That rules out David Beckham and Sol Campbell.)

So, who is it? The best captain is unquestionably Adams.

But he is not fit and will not be a guaranteed long-term choice when he is. In the short-term Pearce would do a fine job in a place like Moldova, where England play on Sunday, but the temptation must be to choose Southgate. Intelligent on and off the pitch, Southgate's appointment would symbolise a new era. He and Hoddle could do for English football what Will Carling and Geoff Cooke did for English rugby.

When asked about the captaincy earlier in the week, Southgate replied: "It is fantastic to be mentioned in that light but I think that is some-

thing for the future. I think he [Hoddle] will choose a player with a lot more experience."

All will be revealed tomorrow, shortly before the squad fly off to Moldova. Robbie Fowler and Steve McManaman will not be going, although they did join the training camp yesterday. Steve Howey has already gone home but David Batty and Les Ferdinand began light training yesterday while Gascoigne played in a practice match against an under-21 side.

Since you ask, the first team won comfortably.

Brown courts Ferguson, page 23

Kinkladze future at City put on hold

ALAN NIXON

Francis Lee, the Manchester City chairman, moved swiftly yesterday to try to keep Georgi Kinkladze at Maine Road.

The Georgian midfielder seemed to be on the brink of following Alan Ball out of Manchester in the wake of the manager's resignation on Monday, but yesterday Lee told Kinkladze's Swiss-based agent, Philippe Hubert, that talks on the player's future would have to wait until there is a new man in charge at Maine Road. Celtic are reportedly keen on buying Kinkladze and there have been enquiries from European clubs.

Meanwhile, City players are puzzled by Lee's suggestion that senior professionals wanted Kinkladze out of the side last season. One player said: "The only time anything was said was when Garry Flitcroft suggested we change the midfield to leave one man back to cover for Georgi's runs. Nobody was ever against Georgi and it's trash to suggest there was a campaign against him and blame it on former players."

Lee gave a guarded response to comments from George Graham, the former Arsenal manager, on Tuesday. "I know that George Graham has publicly said on radio that he would be interested in being the manager of Manchester City," Lee said. "But, if he doesn't contact us, we presume he didn't mean what he said."

Another manager looking for a new job is Andy King, who was dismissed by Mansfield Town yesterday. The former Everton midfielder was suspended on Monday, and left the Third Division club after a meeting with the chairman, Keith Haslam, that lasted only 15 minutes. The reserve team manager, Steve Parkin, takes temporary charge at Field Mill.

Jimmy Thomson has resigned as manager of Raith Rovers after just six months in charge of the Scottish Premier Division club.

Leicester City have agreed a fee of £800,000 for the former Everton and Oldham striker, Ian Marshall. Stoke have taken a Portuguese defender, Hugo da Costa, on extended loan from Benfica while Port Vale have signed Roberto Luconi, the top scorer for Ancona in Italy's Serie B last season, also on a long loan.

Stunning debut by Botham Jnr

Cricket

Liam Botham yesterday took five wickets in a first-class debut that put his famous dad in the shade. The 19-year-old son of the former all-rounder, Ian, was pitched in for a surprise first appearance by injury-hit Hampshire against Middlesex at Portsmouth and the medium pacer celebrated by dismissing former England captain Mike Gatting with his seventh delivery in professional cricket.

Botham then had John Carr out to his 18th ball and returned later in the day to polish off the Middlesex resistance by dismissing Richard Johnson, Ricky Fay and last man Phil Tufnell.

His dad's first-class debut for Somerset against Lancashire at Taunton in 1974 was far less auspicious. Then aged 18, Botham Sr made 13 in his only innings of the match before being caught by the England coach David Lloyd off the bowling of David Hughes. He bowled three overs for 15 runs and took one catch to dismiss Jack Simmons.

Yesterday Middlesex, who had chosen to bat first, were all out for 199 in 60 overs with Botham claiming 5 for 67 in 15 overs. Hampshire responded uncertainly and closed at 105 for 4, a deficit of 94.

"There was an element of

good fortune about some of those wickets, so I suppose people will say it's typical Botham luck," Liam said. "But they all count. My dad was accused of the same thing, though he liked to think he bowled people out."

"I have not spoken to my dad but I will later. He did not know I would be playing because it was a last-minute job. Mike Gatting shook my hand before the start and wished me well, which was nice of him."

Gatting was caught at square leg by Matthew Keech for eight and left staring at the heavens as Botham was engulfed by his team-mates.

"Liam seems to have a bit of Ian's flare, but he is his own man and determined to make his own way," Gatting said. "I have watched him grow up so I wished him good luck at the start."

Botham almost missed out on his big day. He was in an overnight squad of 14 and reported to Portsmouth's United Services ground for pre-match practice. However, Kevan James and John Stephenson passed fitness tests and Botham drove the 25 miles back to Southampton to continue playing in a second XI match also against Middlesex.

When he arrived there was an urgent message for him to retrace his step to Portsmouth



Liam Botham (hands on knees) celebrates after dismissing Mike Gatting as he took 5 for 67 at Portsmouth yesterday

Photograph: Solent News

where Stephenson's shoulder injury had worsened.

A motorway traffic jam held him up still further and Botham arrived after acting captain Robin Smith had led his team out to field after losing the toss.

Botham's entrance was delayed until the end of the second over when he came on the field just as the Middlesex opener Jason Pooley was leaving it, after being caught lbw on the back foot to Simon Renshaw.

That made Middlesex six for 1 with Botham still tying up his shoelaces at mid-on when the third over began. Paul Weekes and Mark Ramprakash took the score to 36 before Weekes was leg before to Jim Bovill for 28.

The scene was set for Botham to make his entrance as a bowler and he took a wicket with the first ball of his second over as Gatting turned a half-volley to square leg where Matthew Keech clutched the

catch at the second attempt. Botham was engulfed by his jubilant team-mates and Gatting, after raising his head in the air, trudged back to the pavilion.

Texaco preview, page 22

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Wednesday's solution

ACROSS

- Cure achieved by an expert the old man's brought in (7)
- Tire, exotic pine, used in panel, mostly (7)
- Still lacking status? (15)
- Opening hotel offering only holiday accommodation results in fuss (3-2)
- Manure and feathers beneath carpet? (5-4)
- Carved mantelpiece that is to be removed by arrangement? (9)
- Agent accepting musical piece is sentimental (5)
- Understand for the most part little woman's disreputable (5)
- Being obsessive about the results of matches? (9)
- Articles about races con-

clude with plaudits, finally, for steward (9)

DOWN

- Goddess's festival initially associated with new year (5)
- Exercising a powerful attraction? (7-8)
- Show tolerance when tracking underworld boss (7)
- Old king mostly carried by pout, not on horse (7)
- Drink at university leads to fracas (5-2)
- Strains Olympic winners invariably get? (8-7)
- Stylish monarch taken in by some deception (9)
- Hilly wooded entering public house - it's a pest (5)
- Wealthy socialite seeking jeweller working in black light? (3-6)
- Date taken from old calendar in church office (5)
- Malicious misfire from corrupt character, with central fold? (6-3,6)
- It goes with a stripe, as a rule (7)
- Former secretary accepting one politician is making amends (9)
- Vital cup-tie inflames one indignantly (9)
- Marine life form evoking dread in children (7)
- Total disorder results when chief comes in - no matter what (7)
- Birthplace getting no mention at all? Not entirely (5)
- Walk across, on parking vehicle (5)

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RFU look south for England fixtures

Rugby Union
DAVID LLEWELLYN

The Rugby Football Union is bracing itself for banishment from the Five Nations' Championship amid signs that it has already begun planning alternatives to the Five Nations home fixtures in February and March next year.

One RFU committee member said last night that southern hemisphere countries had already been contacted regarding possible matches in that period. France had said they would still turn up for their date at Twickenham on 1 March, but it is unlikely that they will be permitted to do so by their three partners, who have extracted a pledge that none of the four will play England between January and April next year.

That leaves the RFU with two dates to fill and it will need high-quality opposition to appease the players, the fans and, most critically, the Twickenham debenture holders, who have been threatening to sue England's hierarchy if they are robbed of what many regard as a sacrosanct social and sporting tournament.

And the suspicions that something is in the pipeline was reinforced by the former England captain Will Carling, who yesterday hinted that Twickenham was already drawing up plans to fill gaps in the international fixture list between January and March next year. When told that no matches could be arranged in that period the England centre said: "I don't know. I have heard differently."

The choice confronting the RFU is straightforward. It can enter the Last Chance Saloon and throw in its lot with the other four unions; or they can leave town and set up camp south of the Equator.

The other four unions yesterday issued a statement which read: "The [Five Nations television] committee has finalised the dates for the Four Nations' Championship to be played next year between January and April 1997 on a home and away basis, involving France, Scotland, Ireland and Wales. This decision will be reported to a meeting of the full committee of these unions next week. Between now and then discussions will take place in one final attempt to persuade the RFU to save the Five Nations' Championship in its current form."

Carling, who has opposed the RFU's independent negotiations which led to an £87.5m five year deal permitting BSkyB to hold the exclusive live broadcasting rights for all matches, club and representative, on English soil, provided some unexpected support for the men he once famously described as "57 old farts".

When asked how big a blow expulsion from the Five Nations' Championship would be, he said yesterday: "It depends what the alternative international rugby would be. If it's home and away with the southern hemisphere you can't get better than that."

"What the game needs is to provide the best possible rugby for the national side and develop the game to a standard that can cope with the southern hemisphere, but I still think there needs to be terrestrial television coverage of rugby at a high level."

How England's fixtures for 1996-97 could look

Date	Home	Away
23 November	Italy	home
30 November	New Zealand Barbarians	home
14 December	Argentina	home
11 February	Scotland	home
11 March	France	home
*February	New Zealand	home
*Early-Mid March	South Africa	home
July	Australia	away
*September	South Africa	away
October	New Zealand I	home
November	New Zealand II	home
November	Australia	home
*Early December	France	home
Mid-December	Scotland (Calcutta Cup)	home

* = scheduled Five Nations matches at Twickenham
* = possible alternative fixtures, with the emphasis on the southern hemisphere

Additionally, France and Scotland have both indicated their willingness to play England, but if they take part in a Four Nations tournament they have pledged not to play England from January to April inclusive. So England would have to find, or create, gaps in the domestic schedule to avoid a clash with Courage League and Pilkington Cup ties.

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